

State of Alaska FY2003 Governor's Operating Budget

Department of Transportation/Public Facilities

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Department Mission

To improve the quality of life for Alaskans by cost effectively providing, operating and maintaining safe, environmentally sound and reliable transportation systems and public facilities.

Department Goals and Strategies

Improve the way Alaska builds and maintains its transportation system, with a significant commitment to public participation in development of the State Transportation Improvement Program (STIP) and capital budget.

- Bring Alaska's portion of the National Highway System up to national design standards.
- Competitively select community transportation projects on a statewide-needs basis through an objective system, developed with community participation.
- Evaluate new transportation segments that might support significant economic development.
- Incorporate trails, recreational facilities, scenic enhancements and visitor services in our transportation program.
- Propose the use of bonding for additional large construction projects.

Protect Alaska's investment in infrastructure by maintaining and operating over 13,000 lane miles of state roads, almost 700 buildings, 261 rural airports and 76 ports and harbors.

- Invest federal construction funds in projects that reduce maintenance costs.
- Use regional maintenance equipment pools, directed to the highest need, to reduce the number of maintenance vehicles.
- Implement a management structure which will identify and transfer cost saving maintenance techniques to other regions.
- Encourage local governments to assume ownership of local facilities.
- Work toward implementing a stable funding base for operation, maintenance and improvements of facilities.

Operate the Alaska Marine Highway System to meet the surface transportation needs of Southeast, Southwest and Southcentral Alaska communities.

- Refurbish and maintain vessels to allow for continued operation.
- Reduce financial losses for vessel services that are not required for safety reasons.
- Work with communities to promote system use.
- Develop and implement regional plans, which increase efficiency while improving services to the public.

Maintain, operate and promote Anchorage and Fairbanks International Airports, which are vital to the state's economy.

- Maintain and construct infrastructure to give Alaska a competitive market advantage, especially for international and domestic cargo traffic and tourism.
- Maintain and construct infrastructure to meet both required safety standards and capacity demands.
- Promote passenger service between Alaska and international destinations.
- Provide facilities that support efficient operations and continued economic growth.
- Provide a safe airport environment for both air and ground operations

Key Department Issues for FY2002 – 2003

Departmentwide:

In 1998 the Transportation Equity Act for the 21st Century (TEA-21) was enacted which lays out transportation entitlement funding for 6 years. The level of Alaska's basic entitlements will grow from the previous Act's \$200 million to over \$300 million during those years. Various discretionary funds were created in which Alaska can request participation including ferry, border crossing, public lands and bridge and corridor funding. Work has already begun on the next reauthorization legislation for the Federal Highway Program. The Department is taking an active role to preserve the State's funding levels.

The Airport Improvement Program under the Federal Aviation Administration (FAA) was reauthorized in the spring of 2000. The new AIP includes a growth of state entitlement funding from \$90 to \$145 million. Other changes implemented by the FAA include a requirement that 90% of all projects over 4 years of age must be closed or future funding will be withheld, and a requirement that 10% of all eligible reimbursements will be withheld until a project is closed. This has prompted a review of the Department's project closure processes.

Security is now a major issue following the events of September 11. Requirements for security are changing daily for the airports, marine highway terminals and vessels, and other surface infrastructure including tunnels and bridges. Additional resources are needed to perform mandated functions such as security management, inspection, law enforcement, access control, parking area and perimeter patrols, and administrative functions. The department must be able to respond to these changing priorities.

The Governmental Accounting Standards Board statement No. 34 adopted in June 1999 requires the reporting of infrastructure in the state's annual financial reports. Decisions need to be made and implementation plans formulated to meet this reporting requirement. Requirement analysis is needed to determine what data and systems currently exist that can be used to meet these requirements. Finally, a process should be developed for documenting and reporting the costs of infrastructure assets.

Maintenance and Operations:

The State Equipment Fleet (SEF) operates 44 shops and has more than 150 employees that provide general and preventative maintenance and all parts supply. There are approximately 7,600 vehicles accounted for in the fleet information system, with 4,800 vehicles comprised of light duty, heavy duty and attachments under SEF management. The Department contracted with a private fleet management consulting firm to take a broad review and a detailed performance and productivity evaluation of the delivery of fleet services. In January 2001, an in-depth status report on the management and maintenance of the State's fleet and list of recommendations was completed. Implementation of approved recommendations will take time and resources, but should result in more efficient fleet operations.

Measurement Standards and Commercial Vehicle Enforcement:

The department has received Federal Highway Administration funding to develop intelligent transportation systems for commercial vehicle operations (ITS/CVO). The ITS/CVO program is focused on the use of technology to streamline state regulatory, enforcement and motor carrier practices increasing levels of safety and productivity for both states and carriers. A business plan has been developed and has been approved by the Federal Motor Carrier Safety Administration. Funding has been identified for bringing commercial vehicle safety information to commercial vehicle inspectors at the roadside, developing a system to enable motor carriers to submit applications for oversize and overweight permits electronically, and installing weigh in motion systems at the Glenn Outbound and Potter Weigh/Inspection Stations.

Alaska Marine Highway System:

Inadequate general fund revenues to support the AMHS have caused rapid depletion of the Marine Highway Fund. Last year's fire and lay-up of the Columbia did not help this situation. The Department needs to take a more aggressive approach towards revenue generation to support the system. An independent marketing and fee study was completed that identified 80,000 potential customers available to the AMHS. Recommendations in the study will be analyzed and implemented where possible. Web based ticket procurement will be further refined during this fiscal year. The preliminary steps towards implementation of the Southeast Transportation Plan, are underway which will eventually result in greater efficiency, and reduced costs.

International Airport System:

The "Gateway Alaska" program at the Ted Stevens Anchorage International Airport is a revitalization program to improve access to the airport. Of significant statewide importance, the Gateway Alaska initiative includes the airport terminal project and infrastructure improvements on roads leading to the airport. The system will focus on its cargo marketing effort to maintain and enhance international cargo business.

Major Department Accomplishments in 2001

- During the first full year of operating the Whittier Tunnel, vehicle traffic met the predicted revenue collection goals.
- The Department delivered a comprehensive program of bid ready designs and contract documents for projects across the state and, as a result, received an additional \$2.2 million in Federal Highway Administration funding.

- Coordinated with borough governments to “Pave and Transfer” small roads. Traded maintenance responsibilities for 35.2 road miles with local city and borough governments to more efficiently sand and plow snow, paint streets, and clean out storm drains.
- Successfully tested and put into practice electronic payments to contractors and other large vendors.
- Implemented an email capability on each AMHS vessel and provided for email delivery when near a wireless bridge.
- Received FHWA approval of Internal Annual Assurances/Affirmative Action Plan with no findings.
- Increased Commercial Vehicle Safety field inspection personnel, trained all personnel to perform North American Standard (NAS) driver and vehicle inspections, achieved National Certification of all field personnel by the Commercial Vehicle Safety Alliance (CVSA); trained all personnel to perform hazardous materials inspections and cargo tank inspections.
- Re-established recognition of the Metrology Laboratory (weights and measures) by the National Institute for Standards and Technology (NIST).
- Emphasized safety awareness through greater communication with public, through various forms of media (public exhibits, workshops, newspaper advertisements). The Department entered into agreements with local police departments for officer presence at construction sites during peak traffic hours, enforcing compliance with speed limits.
- Applied chip seal, hot mix, or high float asphalt to 206.7 lane miles of road.
- Completed feasibility study to define a maintenance management system that will best meet the department's current and future needs.
- 13.4 billion pounds (all cargo landed weight) transited or transferred through Ted Stevens Anchorage International Airport with current cargo landings 11-12% higher per month than this time last year.
- After two years of non-stop negotiations, new operating agreement language between the international airports and major air carriers was finalized in late spring.
- A new Alaska Marine Highway System reservations building was constructed to house the Juneau Reservations and Ticket office and to provide a more convenient location and greater accessibility for the public and employees.
- Completed development of the Prince William Sound/Copper River Area Plan.
- Implementation of SE Alaska Transportation Plan is on track. The plan encompasses construction of new roads, ferries, and terminals to enhance transportation in SE Alaska. As part of the plan, an RFP was developed for the first fast vehicle ferry in Alaska.
- The Department received eight awards for the design and construction of the Whittier Tunnel including;
 - The 2000 Excellence in construction Award from the Associated General Contractors of Alaska,
 - The Total Program Excel Award for Public Involvement from the American Association of State Highway Transportation Officials (AASHTO),
 - The Portland Cement Association 2000 Concrete Bridge Award Recognizing Excellence in Design and Construction of Concrete Bridges,
 - The 2001 Design Build Institute of America's Best Project (public sector over \$15 million),
 - The F.W. Dodge Award for Outstanding Engineering Design Project and Outstanding Heavy/Highway Project,
 - The Glove Award for Excellence in Environmental Protections and Mitigation by the American Road and Transportation Builders Association,
 - The 2001 Grand Award from the American Consulting Engineers Council, and
 - The prestigious American Society of Civil Engineers 2001 Outstanding Civil Engineering Achievement Award.
- Tom Moses, project manager for the Whittier Tunnel project received the AASHTO President's Award for Highways and the Western Association of State Highway & Transportation Officials' Hewes Award.
- Two team awards have been received from AASHTO Team Recognition Program. Southeast Region's repatriation of bodies interred in Sitka (called The Journey Back Home) received the Exemplary Partner award and the Headquarters led Quality Financial Management Initiative Team on Indirect Cost Allocation Plan Implementation received the Trailblazer award.

Governor's Key Department-wide Performance Measures for FY2003

Measure:

Design and Engineering Services - The percentage of federal highway funds obligated in the previous federal fiscal year. Sec 144(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

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100% of federal highway funds were obligated. The Division's performance placed the Department in a position to receive an additional \$ 2.2 million in funding from the Federal Highway Administration compared to an additional \$1.5 million in FY2000. The additional funds were available because other states were not as well prepared and were unable to obligate their full allocation of federal-aid.

Benchmark Comparisons:

All states attempt to achieve 100%.

Background and Strategies:

The Division strives to obligate all federal funds that are available to the state for highway projects. The staff continue to work diligently on that front, reporting regularly on their projects to the Division management, and through a computerized management reporting system, to ensure that projects are delivered on time.

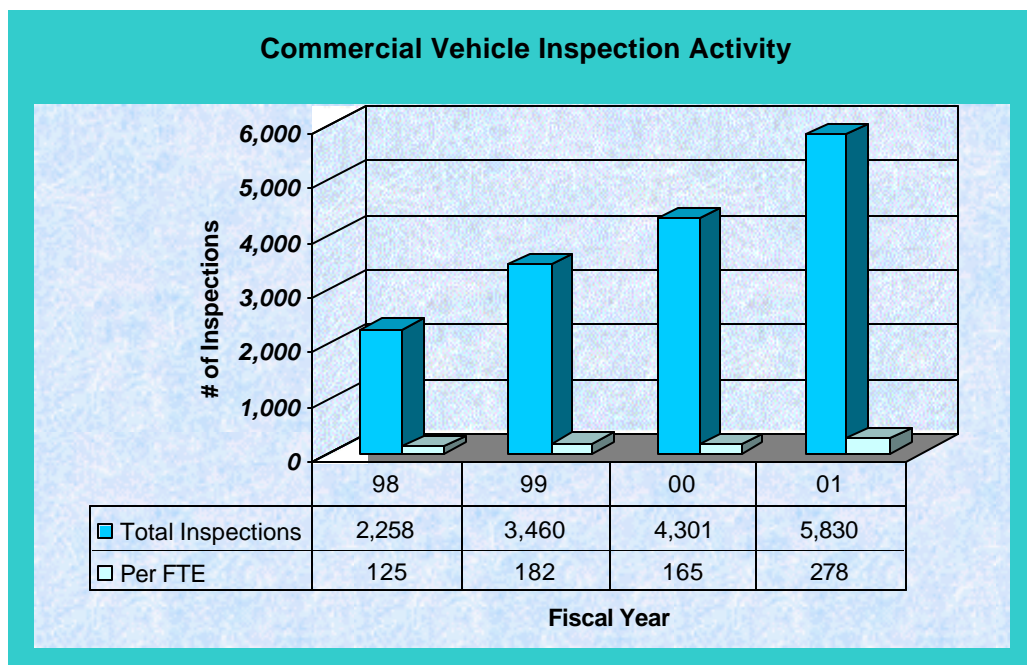
Measure:

Measurement Standards and Commercial Vehicle Safety - Commercial vehicle safety inspections per full-time equivalent employee of the division.

Sec 148(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

During FY2001 actual performance was 278 inspections per full-time-equivalent employee of the division compared to 165 per full-time-equivalent employee in FY00. The Division completed 5,830 inspections during FY2001.



Benchmark Comparisons:

To date, there is no established national standard for this performance measure, although the Department's goal is to reach 8,000 – 10,000 inspections per year.

Background and Strategies:

The division anticipates further efficiencies through streamlining the inspection process by implementing electronic inspection reporting at the field level. Two laptops were deployed in September to test this new electronic reporting system and five more were deployed throughout the fiscal year. In addition nine out of the ten fixed weigh stations are now testing this new electronic inspection reporting system. During FY01 six employees were trained in motorcoach

safety inspection, five in compliance review, five in hazardous materials, three in motor carrier safety grants management and five on the Safetynet program.

Measure:

The percentage of highway and airport lane miles per full-time-equivalent employee compared to the average of member states of the Western Association of State Highway and Transportation Officials
Sec 149(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Northern Region Maintenance and Operations, Highways and Aviation maintains highway and airport lane miles with 42.2 lane miles per full time equivalent position. Southeast Region averages 35.3 highway and airport lane miles per full time equivalent. And, Central Region M&O maintains highway and airport lane miles with an average of 37.0 lane-miles per FTE position.

Benchmark Comparisons:

Fifteen states average 29.3 lane miles per full time equivalent position (Data Source: OKDOT Survey, 1999 & 2001 results from 15 WASHTO States) as follows:

| | | |
|--------------|-------|----------------------|
| Arizona | 29.89 | |
| California | 10.33 | (1999) |
| Colorado | 15.98 | (1999) |
| Hawaii | 8.86 | (1999) |
| Idaho | 29.50 | |
| Montana | 35.25 | |
| Nevada | 33.30 | |
| New Mexico | 30.39 | |
| North Dakota | 46.55 | (1999) |
| Oklahoma | 39.30 | |
| Oregon | 16.77 | |
| South Dakota | 42.86 | |
| Texas | 40.61 | |
| Utah | 41.59 | |
| Washington | 18.49 | (1999) Average 29.31 |

Background and Strategies:

At the current levels of lane miles per full-time equivalent, the Department is not able to provide an adequate level of service. There is a long list of "deferred maintenance" work – jobs that have not been completed due to lack of personnel and other resources. Staff are required to concentrate on critical needs, such as snow removal, rock slides, flooding, and erosion of roadbeds, and are able to devote less attention to preventive maintenance, such as crack sealing, ditching, and brush cutting. Work on priority maintenance items is scheduled when time and resources permit, and federal funds are used to improve the transportation infrastructure to minimize future maintenance needs.

The Department plans to implement an Alaskan maintenance management system that will establish specific maintenance criteria (roadway surface, drainage, snow & ice control, traffic services, etc.) with defined service levels and associated cost to identify to the public and legislature meaningful performance measures. Use of the maintenance management system will identify specific maintenance areas (e.g., guardrail repair, brush cutting, etc.) lacking in necessary resources. To reduce the average lane miles per employee, lane miles could be eliminated from state highway and aviation systems by transferring to communities, or new fund sources could be developed such as FHWA making more maintenance items eligible under the federal aid highway program.

Measure:

Whether the department maintains the pavement condition index (PCI) at 70 for runways and 60 for taxiways and aprons at every applicable rural airport 99 percent of the time.
Sec 150(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Out of those runways, aprons and taxiways inspected, 48% in Central Region, 51% in Northern Region and 96% in Southeast Region have exceeded the pavement condition index identified in this measure. The actual PCI by airport is extremely variable depending upon where the airport is and when it was last upgraded. For example, the Skagway airport has recently been reconstructed and, as the paved areas are all new, PCI scores would be at or near 100. On the other hand, Yakutat has a PCI of 50 and will not be surveyed until a major reconstruction project is completed. That project will begin in 2002. All State and Municipal airports in the Northern Region have current surveys. Rehabilitation paving has taken place on the airports in Nome and Gambell since the last survey. This percentage does not reflect that work.

Benchmark Comparisons:

PCI 70 for runways; PCI 60 for taxiways and aprons, based on FAA standards.

Background and Strategies:

The PCI is a quantitative indicator of overall pavement condition that, as part of a pavement management system, helps us to determine maintenance and rehabilitation needs at airports. It also helps us to determine priorities when scheduling major pavement projects. However, a PCI score is only part of the story. The Department's goal is to maintain airports' required operational capability through effective staffing, equipment, maintenance, and management practices that ensure our airports are safe and open for business whether they have new pavement or are due for rehabilitation.

These inspections note deficiencies for a broad range of inspection criteria and differ each year depending on FAA focus. Other areas that should be monitored are the existence of repeat discrepancies and attaining 100% correction of deficient areas that do not require a CIP project.

Measure:

Alaska Marine Highway System - The revenue per rider mile divided by the operational costs per rider mile.
Sec 151(B)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The ratio of revenue per rider mile to cost per rider mile for FY 01 was .48. This was obtained by dividing the revenue per rider mile of \$.64 by the cost per rider mile that was \$1.34. Rising fuel costs have increased operational costs significantly since FY99. In fact, fuel prices jumped 47% between FY99 and FY00. This problem was compounded when the price per gallon climbed an additional 30% between FY00 and FY01. This drove the cost per rider mile up 9.5% and pushed the ratio of revenue per rider mile down 6.5%.

Benchmark Comparisons:

The Washington State Ferry System reports a ratio of .60. The British Columbia Ferry Corporation reports a ratio of .81. Their cost per rider mile is about the same as the Alaska Marine Highway System. However, their revenue per mile is much higher since they adjust their tariffs to reflect increased expenditures.

Background and Strategies:

The Alaska Marine Highway System is on par when compared to the other ferry systems. The exception is the AMHS has lower revenue per rider mile when compared to the British Columbia system. Along these lines, the AMHS implemented a tariff increase effective May 1, 2001. However, the potential revenue from this increase was offset by three factors. First, the highest revenue producing vessel Columbia, could not be returned to service in FY01 as planned. Second, the Malaspina had to be rerouted from the North Lynn Canal (NLC) to cover for the Columbia. This caused a revenue reduction in NLC. Third, the Malaspina has a much smaller car deck capacity and fewer staterooms than the Columbia and consequently could not capture the full financial benefit from the most lucrative route.

This performance measure is influenced by several variables, i.e. seasonal demand, service routes, number of voyages per week between ports and the fluctuation in fuel prices.

Measure:

Alaska Marine Highway System - The total ridership, including passengers and vehicles, compared to the five-year ridership average.

Sec 151(B)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The AMHS established a goal to increase ridership by 3% per year. The five-year passenger average for FY96 to FY00 is 359,169 and the vehicle average is 102,097. In FY01, ridership was 339,290 and vehicles totaled 97,596. This represents a passenger decrease of 5.5% and a vehicle decrease of 4.4%. In each case, the decrease is attributable to reduced operating weeks and the Columbia being off line for the summer because of fire damage.

Benchmark Comparisons:

There is no good benchmark for this performance measure. The BC Ferries and Washington State Ferries carry substantially more passengers and vehicles because both are short haul and commuter type systems.

Background and Strategies:

The Alaska Marine Highway System brought a ninth vessel on line and introduced cross Gulf service in FY99. This measure is a ridership comparison with a nine vs. eight-vessel fleet. A marketing manager was hired in FY 01 to increase ridership. Many marketing efforts are being undertaken to promote Marine Highway ridership. Unfortunately, there are events beyond the Department's control that can and have resulted in ridership reductions (e.g., blockades, strikes, fires, etc.).

Measure:

The total construction cost of the annual highway and aviation programs should be within 5% of the contract bid amount.

Alaska's Target & Progress:

Out of a representative random sample of 105 projects completed in FY01, the total percentage change from contract bid to completion was approximately 6.1%. This is an improvement over FY00, which was 7%. Central Region Construction and CIP Support reported for FY01 an aggregate percentage change from contract bid to final contract of 2.4%.

Benchmark Comparisons:

No benchmark is known. A review of other states will be conducted to determine if similar information is collected and used for management purposes.

Background and Strategies:

Currently, the department is working on over 441 active construction projects that span several construction seasons. Significant to the cost of urban projects are traffic maintenance costs necessary for a project to have a minimal impact on the travelling public, heavy public input during the construction of a project, and safety, pedestrian, and environmental considerations. Scope changes during construction are rare, and are undertaken only where there is a substantial advantage to the public, the potential of a significant lost opportunity, a safety consideration and/or a major environmental issue.

Contracts allow specific relief for changed conditions that could not be foreseen, forces of nature, and/or unusually severe weather. Due to these factors, specific projects will occasionally have cost overruns. To decrease contract overruns, some combination of the following is necessary: improve estimating quantities in bid documents, make more field changes that reduce quantities and costs, make fewer field changes that increase quantities or cost, or decline performing extra work requested by others (e.g., local governments, other agencies).

It is also important to note that because large-dollar projects generally take longer to build and usually have more significant environmental and community impacts than the majority of federal-aid highway projects, they have greater potential to experience substantial cost increases and lengthy construction delays. The Public Facilities Branch typically provides design and construction administration services for other state client agencies. During the course of construction these client agencies may direct additional work be performed, making the stated performance measure out of the control of Department personnel.

Department Budget Summary by BRU

All dollars in thousands

| | General Funds | FY2001 Federal Funds | Actuals Other Funds | Total Funds | General Funds | FY2002 Federal Funds | Authorized Other Funds | Total Funds | General Funds | FY2003 Federal Funds | Governor Other Funds | Total Funds |
|---------------------------------------|------------------|----------------------------|---------------------------|----------------|------------------|----------------------------|------------------------------|----------------|------------------|----------------------------|----------------------------|----------------|
| Formula | | | | | | | | | | | | |
| Expenditures | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| Non-Formula | | | | | | | | | | | | |
| Expenditures | | | | | | | | | | | | |
| Administration and Support | 1,002.6 | 0.0 | 585.9 | 1,588.5 | 1,118.6 | 0.0 | 538.4 | 1,657.0 | 1,143.2 | 0.0 | 866.0 | 2,009.2 |
| Equal Employment/ Civil Rights | 306.5 | 0.0 | 232.6 | 539.1 | 307.2 | 0.0 | 295.6 | 602.8 | 313.8 | 0.0 | 367.6 | 681.4 |
| Internal Review | 130.2 | 0.0 | 494.7 | 624.9 | 58.7 | 0.0 | 680.6 | 739.3 | 59.2 | 0.0 | 697.0 | 756.2 |
| Administrative Services | 3,925.1 | 0.0 | 5,687.2 | 9,612.3 | 3,903.2 | 0.0 | 5,553.5 | 9,456.7 | 4,046.4 | 0.0 | 6,201.7 | 10,248.1 |
| Regional Support Services | 1,776.7 | 0.0 | 2,251.4 | 4,028.1 | 1,914.7 | 0.0 | 2,124.5 | 4,039.2 | 1,969.5 | 0.0 | 2,179.5 | 4,149.0 |
| Statewide Aviation | 438.0 | 0.0 | 223.3 | 661.3 | 451.6 | 0.0 | 226.0 | 677.6 | 462.0 | 0.0 | 231.2 | 693.2 |
| Planning | 342.2 | 0.0 | 5,173.0 | 5,515.2 | 342.7 | 0.0 | 5,548.3 | 5,891.0 | 346.7 | 0.0 | 5,860.3 | 6,207.0 |
| Design & Eng Services | 1,777.6 | 0.0 | 31,998.8 | 33,776.4 | 1,920.4 | 0.0 | 33,175.3 | 35,095.7 | 1,956.0 | 0.0 | 35,972.5 | 37,928.5 |
| Construction/CI P Support | 740.9 | 0.0 | 26,607.4 | 27,348.3 | 742.9 | 0.0 | 29,027.7 | 29,770.6 | 854.2 | 0.0 | 31,291.6 | 32,145.8 |
| Statewide Facility M&O | 12,539.2 | 35.4 | 5,169.5 | 17,744.1 | 11,429.3 | 81.8 | 2,947.1 | 14,458.2 | 12,372.6 | 167.8 | 2,967.5 | 15,507.9 |
| State Equipment Fleet | 0.0 | 0.0 | 18,356.3 | 18,356.3 | 0.0 | 0.0 | 19,568.7 | 19,568.7 | 0.0 | 0.0 | 20,346.4 | 20,346.4 |
| Measure Stnds & Comm Veh. Enf. | 1,941.8 | 0.0 | 2,101.6 | 4,043.4 | 2,016.4 | 0.0 | 2,629.5 | 4,645.9 | 2,056.2 | 0.0 | 2,891.7 | 4,947.9 |
| Highways and Aviation | 0.0 | 0.0 | 0.0 | 0.0 | 73,133.4 | 1,634.6 | 2,968.7 | 77,736.7 | 78,716.8 | 1,655.6 | 9,019.3 | 89,391.7 |
| Statewide Highways Snowplowing | 257.6 | 0.0 | 0.0 | 257.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Statewide Highways and Aviation | 500.0 | 0.0 | 971.4 | 1,471.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | FY2001 Actuals | | | | FY2002 Authorized | | | | FY2003 Governor | | | |
|---|------------------|---------------|------------------|------------------|-------------------|----------------|------------------|------------------|------------------|----------------|------------------|------------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| North Kenai Maintenance Station | 0.0 | 0.0 | 0.0 | 0.0 | 385.4 | 0.0 | 0.0 | 385.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| International Airports | 0.0 | 0.0 | 305.5 | 305.5 | 0.0 | 0.0 | 375.0 | 375.0 | 0.0 | 0.0 | 381.2 | 381.2 |
| Central Region Hwys & Aviation | 26,710.7 | 310.3 | 3,367.1 | 30,388.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Whittier Access & Tunnel | 0.0 | 0.0 | 450.0 | 450.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Ted Stevens Airport | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 32,789.7 | 32,789.7 | 0.0 | 100.0 | 34,226.8 | 34,326.8 |
| Fairbanks International Airp. | 0.0 | 0.0 | 9,580.4 | 9,580.4 | 0.0 | 0.0 | 10,202.8 | 10,202.8 | 0.0 | 0.0 | 10,732.5 | 10,732.5 |
| Northern Reg Hwys & Aviation | 36,172.5 | 384.9 | 4,898.4 | 41,455.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Southeast Reg Hwys & Aviation | 8,615.5 | 0.0 | 1,267.5 | 9,883.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Marine Highway System | 410.0 | 0.0 | 78,449.3 | 78,859.3 | 0.0 | 0.0 | 79,514.4 | 79,514.4 | 0.0 | 0.0 | 85,397.5 | 85,397.5 |
| Front Section Anchorage International Airp. | 28,091.0 | 0.0 | 0.0 | 28,091.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | 0.0 | 0.0 | 32,832.1 | 32,832.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Totals | 125,678.1 | 730.6 | 231,003.4 | 357,412.1 | 97,724.5 | 1,716.4 | 228,165.8 | 327,606.7 | 104,296.6 | 1,923.4 | 249,630.3 | 355,850.3 |

Funding Source Summary

All dollars in thousands

| Funding Sources | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|-----------------------|------------------------------|----------------------------|
| 1002 Federal Receipts | 730.6 | 1,716.4 | 1,923.4 |
| 1003 General Fund Match | 74.9 | | |
| 1004 General Fund Receipts | 122,381.7 | 94,022.5 | 100,433.8 |
| 1005 General Fund/Program Receipts | 3,221.5 | 3,702.0 | 3,862.8 |
| 1007 Inter-Agency Receipts | 9,124.3 | 4,476.0 | 4,562.1 |
| 1026 Highway Working Capital Fund | 22,900.8 | 22,588.1 | 23,662.1 |
| 1027 International Airport Revenue Fund | 43,551.2 | 45,275.3 | 47,048.8 |
| 1052 Oil/Hazardous Response Fund | 700.0 | 700.0 | 350.0 |
| 1053 Investment Loss Trust Fund | 363.4 | | |
| 1061 Capital Improvement Project Receipts | 72,629.9 | 71,776.9 | 83,143.5 |
| 1076 Marine Highway System Fund | 78,188.2 | 80,461.0 | 86,369.8 |
| 1108 Statutory Designated Program Receipts | 711.5 | 1,082.2 | 1,095.5 |
| 1147 Public Building Fund | 1,082.6 | | |
| 1156 Receipt Supported Services | 1,751.5 | 1,806.3 | 3,398.5 |
| Totals | 357,412.1 | 327,606.7 | 355,850.3 |

Position Summary

| Funding Sources | FY2002 Authorized | FY2003 Governor |
|------------------------|------------------------------|----------------------------|
| Permanent Full Time | 2,874 | 2,985 |
| Permanent Part Time | 634 | 600 |
| Non Permanent | 9 | 12 |
| Totals | 3,517 | 3,597 |

FY2003 Capital Budget Request

| Project Title | General Funds | Federal Funds | Other Funds | Total Funds |
|--|-------------------|--------------------|-------------------|--------------------|
| Alaska Marine Highway System - Vessel Overhaul and Rehabilitation | 5,500,000 | 0 | 0 | 5,500,000 |
| Safety Inspection of State Owned High Risk Facilities | 200,000 | 0 | 0 | 200,000 |
| Material Stockpiles - Dalton Highway, Glenn Highway and Tok Cutoff | 600,000 | 0 | 0 | 600,000 |
| Airport Deferred Maintenance | 1,500,000 | 0 | 0 | 1,500,000 |
| Emergency and Non-Routine Repairs | 1,000,000 | 0 | 0 | 1,000,000 |
| Facilities Deferred Maintenance and Critical Repairs | 800,000 | 0 | 0 | 800,000 |
| Harbor Deferred Maintenance | 1,000,000 | 0 | 0 | 1,000,000 |
| Highway Deferred Maintenance | 1,500,000 | 0 | 0 | 1,500,000 |
| Weights and Measures Testing Unit Replacement | 525,100 | 0 | 0 | 525,100 |
| Corps of Engineers - Harbors Program Formulation | 200,000 | 0 | 0 | 200,000 |
| Moose Pass Maintenance Station Closure and Site Clean-up | 600,000 | 0 | 0 | 600,000 |
| State Equipment Fleet Replacement | 0 | 0 | 11,800,000 | 11,800,000 |
| Statewide Federal Programs | 52,649,700 | 20,650,000 | 21,406,600 | 94,706,300 |
| Airport Improvement Program | 0 | 117,519,900 | 1,500,000 | 119,019,900 |
| Surface Transportation Program | 0 | 354,330,000 | 150,000 | 354,480,000 |
| Department Total | 66,074,800 | 492,499,900 | 34,856,600 | 593,431,300 |

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Overview of Departmental Budget Changes

Highway Maintenance and Operations:

The Whittier Tunnel opened for operation in July 2000. This was the first design, build and operate construction project ever developed in Alaska. The contract for the operation of the tunnel will expire in April 2002. At that time the DOT&PF will take over responsibility for its ongoing operations. The Department's FY03 budget request includes the necessary receipt and expenditure authority for the facility whether it is performed through a contractor or a state workforce.

The FY03 Statewide Equipment Fleet (SEF) rates are based on FY01 actuals. The rates for FY03, combined operating and replacement, are increasing a total (net) of \$2.9 million. Increases on the replacement side are due to a greater number of new vehicles and higher replacement costs. The operating side increases represent the independent consultant's review costs and COLA increases, a reallocation from the capital (replacement) side to the operating, and an elimination of credit for prior year gains (overcollection). These gains were distributed (credited against the rates) over a three year period. This year the rates are up from last year because the gains have been fully distributed, and the full costs are now back in the rates.

Alaska Marine Highway System

The purpose of the Alaska Marine Highway Fund, established in Alaska Statute 19.65.050, is to provide a funding mechanism for the Alaska Marine Highway System (AMHS) that is steady, stable, dependable and predictable. The depletion of the Marine Highway Fund is imminent. The Fund provided stability during times of transition and unexpected events. In the past AMHS has experienced several events that resulted in additional expenditures and lost revenues (e.g., strikes, blockades, etc.). The use of the Fund prevented the loss of several weeks of service and total system disruption. Predictable service was possible. The Department is taking various actions to deal with the depletion problem. Unfortunately, actions intended to generate revenue take time to implement and the fund is in need of immediate general fund support. The addition of \$17 million is necessary to keep the fund balanced, and to provide needed increases to service levels to return to the planned FY99/FY00 levels.

Administrative Services

The work being done by department employees have inherent safety risks whether on our roadways, airports, vessels, harbors or facilities. Each year DOT&PF spends approximately \$2 million in workers compensation claims. The department pays other costs related to motor vehicle accidents/claims. We need to closely examine these risks, emphasize safety in the workplace and make changes in the way we do business to minimize risk. A safety officer for the department will provide direction and coordinate an appropriate safety program to deal with these issues.

Departmentwide:

Security is now a major issue following the events of September 11. Requirements for security are changing daily for the airports, marine highway terminals and vessels, and other surface infrastructure including tunnels and bridges. Additional resources are needed to perform mandated functions such as security management, inspection, law enforcement, access control, parking area and perimeter patrols, and administrative functions.

The Department has been experiencing a growth in federal highway and airport construction programs since their reauthorizations and due to the addition of specially designated congressional appropriations. In an effort to meet the needs of the design and construction programs, 46 new positions are being requested. These positions will provide oversight to the increasing number of design and construction contractors and deal with more complex construction projects that incorporate advances in technology. In FY99 the Department eliminated 68 positions within the design and construction programs due to a combination of department reorganization and budget cuts.

The position count for the department shows an increase of 63 full-time positions. The following is a brief explanation for the increase:

New Positions

- 1 - Statewide Construction Coordinator – oversight and standardization of department construction activities
- 1 - Department Safety Officer – coordinate workplace safety needs and manage workers compensation cases
- 1 - Planner - STIP and AIP federal programs - (federal funds)
- 20 - Design Engineers - manage and supervise design contracts (federal funds)
- 27 - Construction Engineers - manage and supervise construction contracts (federal funds)

- 2 - State Equipment Fleet Mechanics – maintain vehicles being converted from dry to wet
- 1 - Measurement Standards and Commercial Vehicle Enforcement Microcomputer Network Technician – support the ongoing office needs of this division
- 3 - Ted Stevens Anchorage International Airport Capital Project Engineers – manage construction projects (CIP receipts)
- 4 - Alaska Marine Highway – crew needed for the new Metlakatla shuttle
- 2 - Gas Pipeline Engineer and Right of Way Agent - coordination of department gas pipeline activities and right of way permitting for pipeline construction
- 1 - Equal Employment Officer- implement Alaska Unified Certification program

Summary of Department Budget Changes by BRU

From FY2002 Authorized to FY2003 Governor

All dollars shown in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 97,724.5 | 1,716.4 | 228,165.8 | 327,606.7 |
| Adjustments which will continue current level of service: | | | | |
| -Administration and Support | 24.6 | 0.0 | 14.6 | 39.2 |
| -Equal Employment/ Civil Rights | 6.6 | 0.0 | 7.0 | 13.6 |
| -Internal Review | 0.5 | 0.0 | 16.4 | 16.9 |
| -Administrative Services | 91.1 | 0.0 | 111.6 | 202.7 |
| -Regional Support Services | 54.8 | 0.0 | 55.0 | 109.8 |
| -Statewide Aviation | 10.4 | 0.0 | 5.2 | 15.6 |
| -Planning | 4.0 | 0.0 | 225.2 | 229.2 |
| -Design & Eng Services | 35.6 | 0.0 | 838.5 | 874.1 |
| -Construction/CIP Support | 11.3 | 0.0 | 667.0 | 678.3 |
| -Statewide Facility M&O | 206.2 | 1.0 | 20.4 | 227.6 |
| -State Equipment Fleet | 0.0 | 0.0 | 430.8 | 430.8 |
| -Measure Stnds & Comm Veh. Enf. | 39.8 | 0.0 | 62.2 | 102.0 |
| -Highways and Aviation | 1,966.5 | 21.0 | -299.4 | 1,688.1 |
| -North Kenai Maintenance Station | -385.4 | 0.0 | 0.0 | -385.4 |
| -International Airports | 0.0 | 0.0 | 6.2 | 6.2 |
| -Ted Stevens Airport | 0.0 | 0.0 | 647.9 | 647.9 |
| -Fairbanks International Airp. | 0.0 | 0.0 | 290.7 | 290.7 |
| -Marine Highway System | 0.0 | 0.0 | 1,648.7 | 1,648.7 |
| Proposed budget increases: | | | | |
| -Administration and Support | 0.0 | 0.0 | 313.0 | 313.0 |
| -Equal Employment/ Civil Rights | 0.0 | 0.0 | 65.0 | 65.0 |
| -Administrative Services | 52.1 | 0.0 | 536.6 | 588.7 |
| -Planning | 0.0 | 0.0 | 86.8 | 86.8 |
| -Design & Eng Services | 0.0 | 0.0 | 1,958.7 | 1,958.7 |
| -Construction/CIP Support | 100.0 | 0.0 | 1,596.9 | 1,696.9 |
| -Statewide Facility M&O | 737.1 | 85.0 | 0.0 | 822.1 |
| -State Equipment Fleet | 0.0 | 0.0 | 346.9 | 346.9 |
| -Measure Stnds & Comm Veh. Enf. | 0.0 | 0.0 | 200.0 | 200.0 |
| -Highways and Aviation | 3,616.9 | 0.0 | 6,350.0 | 9,966.9 |
| -Ted Stevens Airport | 0.0 | 100.0 | 789.2 | 889.2 |
| -Fairbanks International Airp. | 0.0 | 0.0 | 239.0 | 239.0 |
| -Marine Highway System | 0.0 | 0.0 | 4,234.4 | 4,234.4 |
| FY2003 Governor | 104,296.6 | 1,923.4 | 249,630.3 | 355,850.3 |

Administration and Support Budget Request Unit

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BRU Mission

The mission is to provide executive leadership, coordination with other governmental agencies and oversight of construction contracting and non-construction procurement activities.

BRU Services Provided

The Department of Transportation and Public Facilities (DOT&PF) is statutorily responsible for the planning, design, construction, maintenance, and operations of transportation facilities and buildings. We strive to achieve a balance between steady planned growth in the intermodal transportation system, which supports economic development and improved quality of life, and the effective management of maintenance and operations for the state's existing investment in transportation and public facilities infrastructure. This BRU contains the highest level of leadership necessary to insure the department meets its statutory responsibilities.

The Section of Contracting, Procurement and Appeals develops, implements, and maintains policies, procedures, and standards that assure all transportation modes and regions receive responsive and consistent guidance, direction and training in administering construction and non-construction procurements and contracts.

BRU Goals and Strategies

- Define the future responsibilities of the department.
- Analyze the departmental organization to determine if we have the most efficient and effective structure.
- Develop sustainable revenue mechanisms that provide adequate funding to support development and operations of state transportation system and public facilities.
- Coordinate operating and capital budget requests and secure the necessary federal and state funding to meet all the statewide transportation needs.
- Work closely with executive and legislative branches to secure appropriate funding levels.

Key BRU Issues for FY2002 – 2003

Key issues in the department are the levels and allocation of federal construction funds, compliance with federal environmental requirements, growth and redevelopment of the Anchorage International Airport and changes in the composition and service levels of the Alaska Marine Highway System. Leadership is needed to meet the challenge to maintain a positive and productive work environment, facilitate meaningful human resources development and ensure high levels of responsiveness to the general public in light of continued reductions in program funding.

Security is now a major issue following the events of September 11. Requirements for security are changing daily for the airports, marine highway terminals and vessels, and other surface infrastructure including tunnels and bridges. Additional resources are needed to perform mandated functions such as security management, inspection, law enforcement, access control, parking area and perimeter patrols, and administrative functions. The Commissioners Office must be able to respond to these changing priorities.

Major BRU Accomplishments in 2001

- Continued campaign in conjunction with the State Troopers to promote safety in highway construction work zones.
- Completed the Contracting Officers' Warrant System development and began implementation of that program. Also assessed Warrant System training needs and began development of an extensive training program.
- Implemented new construction project advertising procedures that greatly reduced the size of the notices. This has the impact of saving substantially on annual advertising costs.

- Massive changes to the Department's website are underway. The changes will provide easier access to web based services (e.g., AMHS reservations, bid specifications, etc.) and to information about the Department and its programs.
- The feasibility study for the proposed Maintenance Management System has been completed. This program will assist in a more efficient use of resources dedicated to the maintenance and operations of the road system.
- Promulgated new regulations (Title 17) pertaining to international airports and have begun to incorporate those regulations into the airports' operations.

Key Performance Measures for FY2003

Measure:

The percentage of divisions that reach assigned performance measures.
Sec 141(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

All divisions are tracking legislatively assigned performance measures contained in Chapter 90, SLA 2001. In those instances where goals have been established, the department is working towards reaching those goals though many can not be accomplished within a single year. Where not established, data is being collected to determine appropriate goals.

Benchmark Comparisons:

None.

Background and Strategies:

Knowing how well an organization is functioning is vital to good management. Performance measures are needed to tell whether we are getting the results we desire from our programs. They must tell us how effective and efficient we are or indicate where improvement is needed. The Department is gathering data for the performance measures noted in the FY01 legislation. Setting Department goals can be difficult, but with a few years of performance measure tracking and additional benchmark identification, goal setting should be easier.

Measure:

The percentage of state national highway system lane miles of road that meet standards of the American Association of State Highway Transportation Officials.
Sec 141(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

After 5 years of a concerted effort to modernize the National Highway System (NHS) routes within Alaska, there are 1,487 miles (73%) of the NHS that meet national standards and 552 miles (27%) [including much of the Dalton Highway] which do not meet these standards. Significant progress has been made on the Sterling, Seward, Glenn and other major highways in recent years to improve our highway systems for citizens and commerce while adding to safety.

Benchmark Comparisons:

Nearly all NHS routes nationally meet minimum geometric standards, except for capacity, pavement condition and bridge condition. Until recently, Alaska's NHS routes were far behind other states in meeting basic geometric standards of highway width, shoulder width, curvature and grade. The recent focus on NHS routes nationally, including the provision of new federal monies, has paralleled Alaska's recent strong push to bring our most important highways up to minimum geometric standards. The department continues to push for both bringing substandard sections of the NHS up to minimums, and addressing critical capacity shortfalls on NHS routes in urban areas.

Background and Strategies:

Projects for reconstruction of substandard NHS roads are programmed in the Statewide Transportation Plan for completion in 10 - 12 years, depending upon federal and state funding received.

Measure:

The average time taken to respond to complaints and questions that have been elevated to the commissioner's office. Sec 141(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The average time taken by the Commissioner's Office in responding to questions or complaints in writing or email is generally 3 weeks. This office does not currently track questions or complaints that are received by telephone. It is our intent to reduce response time to written requests. Collection of more data will be needed before a specific goal can be established.

Benchmark Comparisons:

We are not aware of any.

Background and Strategies:

The Commissioner's Office receives numerous requests daily and strives to respond in a short period of time. However, limited resources have prevented the Commissioner's Office from filling all authorized positions, which undoubtedly impacts the ability to respond quickly to requests. As a result, either a regional or headquarters division office researches most inquiries or complaints. The amount of time spent on a complaint or question depends on the complexity of the issue, the workloads of those designated to respond and the availability of information (e.g., it is difficult to get information from a project manager who is working at a remote site).

Measure:

The percentage of protests and claims appealed to the commissioner that courts overturned during the fiscal year. Sec 142(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The Department's goal is to render construction related appeal decisions that are fair and legally sound. Few DOT&PF adjudicating decisions should ever need to be appealed to the courts, and for those that are, none should be overturned by appellate court proceedings. Construction related appeals adjudicated by the Department's administrative hearing process average 4 to 6 per year. In FY2001, there were 6 appeals filed with the DOT&PF Appeals Officer. None of the 6 decisions were appealed to the courts.

There were 4 DOT&PF construction related appeals that were carried forward from prior years in Superior Court. Of these, in FY2001:

- one was settled in favor of the State;
- another was moved by the Appellant into Supreme Court (where it now resides) after a Superior Court ruling was made favorable to the State;
- the last two are still active in Superior Court.

We anticipate that the performance stated above will continue in future years. Very few DOT&PF protests and claim decisions will be appealed to the courts due to our efforts stated under "Background and Strategies". If the Departments appeal decisions are challenged in the courts, we do not expect that any will be overturned.

Benchmark Comparisons:

There are no established national standards or information from which to gauge this performance measure.

Background and Strategies:

From 1992 through July of 2001, there were 56 construction related appeals that were directed to formal hearing. This number does not include those appeals that received a direct decision by the Commissioner as none of those decisions since 1992 have been taken on to court.

Of the 56 appeals decided at hearings:

- 27 were claims,
 - 25 were protests, and
 - 4 were in the lease category.
-
- 11 of these appeals were settled before hearings started.
 - 41 were heard or, in some instances, partially heard (i.e. settlement was reached during the hearing process, thus stopping the appeal).
 - Four are currently before hearing officers for administrative adjudication recommendations.

And, of these 56 appeals, 12 were appealed to the courts where:

- one was remanded for settlement;
- the State prevailed on 8 (i.e. the original administrative decision of the Department was upheld) and
- 3 currently reside in the courts (2 in Superior, one in Supreme).

The Department's strategy has been to actively listen to contractors and work directly with them and with construction industry representatives (i.e. the Associated General Contractors of Alaska, construction Labor Unions, Alaska Professional and Design Council, etc.) on claims adjudication procedures. These efforts coordinate and review recommended changes to procurement, contracting, and claim settlement practices and, based on findings, are incorporated into the departmental processes with the goal of reducing the number of contractual disputes.

Measure:

Whether the department fully implements the maintenance management system statewide by June 30, 2003.
Sec 149(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The department is in final negotiations with a consultant to acquire software and consulting services for implementation of the Maintenance Management System. The contract will be signed by December 2001

Benchmark Comparisons:

No benchmark has been established.

Background and Strategies:

The department has determined that a Maintenance Management System (MMS) will be an effective tool to better manage the state's transportation assets. The system will allow managers to better plan and program expenditures, monitor budget performance and better track major cost items, such as snowstorms, floods and federal preventative maintenance efforts. It is envisioned that the MMS will be implemented in a phased multi-year approach. Initial work will focus on establishing a maintenance feature inventory using standard units of measure, automation of deferred maintenance needs assessment, and establishment of a maintenance quality assurance program. These precursors will provide immediate useful information and tools. Implementation of a traditional MMS will follow.

Administration and Support
BRU Financial Summary by Component

All dollars in thousands

| | General Funds | FY2001 Actuals Federal Funds | Other Funds | Total Funds | General Funds | FY2002 Authorized Federal Funds | Other Funds | Total Funds | General Funds | FY2003 Governor Federal Funds | Other Funds | Total Funds |
|---------------------------------|------------------|------------------------------------|----------------|----------------|------------------|---------------------------------------|----------------|----------------|------------------|-------------------------------------|----------------|----------------|
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| Commissioner's Office | 725.3 | 0.0 | 329.0 | 1,054.3 | 844.8 | 0.0 | 320.7 | 1,165.5 | 862.1 | 0.0 | 303.0 | 1,165.1 |
| Transportation Mgmt & Security | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 340.0 | 340.0 |
| Contracts, Procurement, Appeals | 277.3 | 0.0 | 256.9 | 534.2 | 273.8 | 0.0 | 217.7 | 491.5 | 281.1 | 0.0 | 223.0 | 504.1 |
| Totals | 1,002.6 | 0.0 | 585.9 | 1,588.5 | 1,118.6 | 0.0 | 538.4 | 1,657.0 | 1,143.2 | 0.0 | 866.0 | 2,009.2 |

Administration and Support

Proposed Changes in Levels of Service for FY2003

The Department has been so successful in improving the coordination and oversight of road and airport maintenance activities that an appropriate next step is to do the same in construction. Coordination of construction activities is necessary to ensure standardization of activities between regions, reporting of those activities to management, and consistent treatment of construction claims. This will be accomplished through the addition of a construction engineer chief.

Administration and Support

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 1,118.6 | 0.0 | 538.4 | 1,657.0 |
| Adjustments which will continue current level of service: | | | | |
| -Commissioner's Office | 17.3 | 0.0 | -122.7 | -105.4 |
| -Transportation Mgmt & Security | 0.0 | 0.0 | 132.0 | 132.0 |
| -Contracts, Procurement, Appeals | 7.3 | 0.0 | 5.3 | 12.6 |
| Proposed budget increases: | | | | |
| -Commissioner's Office | 0.0 | 0.0 | 105.0 | 105.0 |
| -Transportation Mgmt & Security | 0.0 | 0.0 | 208.0 | 208.0 |
| FY2003 Governor | 1,143.2 | 0.0 | 866.0 | 2,009.2 |

Component: Commissioner's Office

Contact: Kurt Parkan, Deputy Commissioner

Tel: (907) 465-6977 **Fax:** (907) 465-8365 **E-mail:** Kurt_Parkan@dot.state.ak.us

Component Mission

The Commissioner's Office mission is to provide executive leadership to all activities of the department and to coordinate with the executive and legislative branches of state government, other state agencies, and the federal government.

Component Services Provided

The Department of Transportation and Public Facilities (DOT&PF) is statutorily responsible for the planning, design, construction, maintenance, and operations of transportation facilities and buildings. We strive to achieve a balance between steady planned growth in the intermodal transportation system, which supports economic development and improved quality of life, and the effective management of maintenance and operations for the state's existing investment in transportation and public facilities infrastructure.

Component Goals and Strategies

The Commissioner's Office mission is to provide executive leadership to all activities of the department and to coordinate with the executive and legislative branches of state government, other state agencies, and the federal government.

Key Component Issues for FY2002 – 2003

Key issues in the department are the levels and allocation of federal construction funds, compliance with federal environmental requirements, growth and redevelopment of the Ted Stevens Anchorage International Airport and changes in the composition and service levels of the Alaska Marine Highway System. Other key issues include meeting the challenge to maintain a positive and productive work environment, facilitating meaningful human resources development and ensuring high levels of responsiveness to the general public.

The Commissioner is one of fifty members of the Policy Committee for the American Association of State Highway and Transportation Officials (AASHTO). The Commissioner is chairman of the Highways Committee for AASHTO and an active member of the Western Association of State Highway and Transportation Officials (WASHTO). Both organizations are responsible for developing standards for transportation systems nationally and within the western region. It is imperative that sufficient resources be provided for the Commissioner and Deputy Commissioners to meet with employees, the public and other officials, and personally review facilities and conditions throughout the state, as well as to participate on the national level for Alaska transportation issues.

Security is now a major issue following the events of September 11. Requirements for security are changing daily for the airports, marine highway terminals and vessels, and other surface infrastructure including tunnels and bridges. Additional resources are needed to perform mandated functions such as security management, inspection, law enforcement, access control, parking area and perimeter patrols, and administrative functions. The Commissioners Office must be able to respond to these changing priorities.

Major Component Accomplishments in 2001

- The Department made a presentation to the American Association of State Highway and Transportation Officials (AASHTO) executive committee for the opportunity to host the annual AASHTO meeting in Anchorage in October 2002. The State was selected to host the event and, in so doing, the Commissioner received the "Meeting Champion of the Month" award from the Anchorage Convention and Visitors Bureau. It is expected that there will be 1,600 attendees, which is a greater number than normally attends due to the uniqueness of Alaska. An infusion of over \$1.3 million into the Alaskan economy is anticipated from this event.

- Massive changes to the Department's website are underway. The changes will provide easier access to web based services (e.g., AMHS reservations, bid specifications, etc.) and to information about the Department and its programs.
- Promulgated new regulations (Title 17) pertaining to international airports and have begun to incorporate those regulations into the airports' operations.
- Successfully negotiated with major signatory airlines and completed the five year Operating Agreement for the Alaska International Airport System consisting of the Ted Stevens Anchorage and Fairbanks International Airports.

Statutory and Regulatory Authority

AS 44.42.010-900 State Government

AS 02 Aeronautics

AS 19 Highways and Ferries

AS 35 Public Building, Works and Improvements

Commissioner's Office

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 788.6 | 821.0 | 821.2 |
| 72000 Travel | 103.8 | 57.1 | 47.0 |
| 73000 Contractual | 133.0 | 275.0 | 282.5 |
| 74000 Supplies | 28.9 | 12.4 | 14.4 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,054.3 | 1,165.5 | 1,165.1 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 725.3 | 844.8 | 862.1 |
| 1007 Inter-Agency Receipts | 145.2 | 131.9 | 3.9 |
| 1026 Highway Working Capital Fund | 13.0 | 12.7 | 13.2 |
| 1027 International Airport Revenue Fund | 97.0 | 96.7 | 99.9 |
| 1061 Capital Improvement Project Receipts | 73.8 | 79.4 | 186.0 |
| Funding Totals | 1,054.3 | 1,165.5 | 1,165.1 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 145.2 | 131.9 | 131.9 | 3.9 | 3.9 |
| Capital Improvement Project Receipts | 51200 | 73.8 | 79.4 | 79.4 | 186.0 | 186.0 |
| Restricted Total | | 219.0 | 211.3 | 211.3 | 189.9 | 189.9 |
| Total Estimated Revenues | | 219.0 | 211.3 | 211.3 | 189.9 | 189.9 |

Commissioner's Office
Proposed Changes in Levels of Service for FY2003

None.

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 844.8 | 0.0 | 320.7 | 1,165.5 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 17.3 | 0.0 | 9.3 | 26.6 |
| -Transfer Statewide M&O coordinator PFT to Transportation Systems to consolidate managers | 0.0 | 0.0 | -132.0 | -132.0 |
| Proposed budget increases: | | | | |
| -Add Gas Pipeline Liaison to coordinate department pipeline activities | 0.0 | 0.0 | 90.0 | 90.0 |
| -Add support costs for department web manager ICAP | 0.0 | 0.0 | 15.0 | 15.0 |
| FY2003 Governor | 862.1 | 0.0 | 303.0 | 1,165.1 |

Commissioner's Office

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 10 | 9 | Annual Salaries | 624,241 |
| Part-time | 0 | 0 | COLA | 20,355 |
| Nonpermanent | 0 | 1 | Premium Pay | 0 |
| | | | Annual Benefits | 201,157 |
| | | | Less 2.90% Vacancy Factor | (24,553) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 10 | 10 | Total Personal Services | 821,200 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|----------|----------|-----------|
| Commissioner | 0 | 0 | 1 | 0 | 1 |
| Dep Commissioner | 0 | 0 | 2 | 0 | 2 |
| Engineer/Architect III | 1 | 0 | 0 | 0 | 1 |
| Exec Secretary III | 0 | 0 | 1 | 0 | 1 |
| Publications Spec III | 0 | 0 | 1 | 0 | 1 |
| Secretary | 0 | 0 | 2 | 0 | 2 |
| Spec Asst To The Comm I | 0 | 0 | 1 | 0 | 1 |
| Spec Asst To The Comm II | 0 | 0 | 1 | 0 | 1 |
| Totals | 1 | 0 | 9 | 0 | 10 |

Component: Transportation Management and Security

Contact: Bo Brownfield, Deputy Commissioner

Tel: (907) 465-3900 **Fax:** (907) 465-8365 **E-mail:** Bo_Brownfield@dot.state.ak.us

Component Mission

To coordinate maintenance, construction and security issues and provide oversight of those areas for department management.

Component Services Provided

- Develop policies, procedures and standards for M&O activities statewide to ensure uniform maintenance practices, and provide technical guidance to regional offices.
- Coordinate major maintenance projects and determine priority of statewide projects.
- Develop and implement the maintenance management system.
- Coordinate the maintenance of federally mandated security at State airports, terminals, tunnels and other transportation infrastructure. This has just been increased due to the terrorist's threats.
- Develop policies for construction activities statewide to ensure uniform construction practices, and provide technical guidance to regional offices.

Component Goals and Strategies

To improve the transportation system and public facilities in Alaska:

- Monitor and forecast resource needs to assure appropriate levels of service are provided.

Effective and efficient maintenance and operations activities throughout the regions

- The Statewide M&O Chief can effect a focused approach and common goals throughout the regions by serving as the Commissioner's representative in all matters relating to M&O.

Ensure uniform maintenance practices throughout the state.

- Begin use of new Intelligent Transportation System technologies such as Road and Weather Information Systems to better maintain the highways.

Provide general management and administrative support:

- Advise and train managers concerning funding requirements and rules to ensure all federal and state financial and project development guidelines are followed.

Key Component Issues for FY2002 – 2003

Security is now a major issue following the events of September 11. Requirements for security are changing daily for the airports, marine highway terminals and vessels, and other surface infrastructure including tunnels and bridges. Additional resources are needed to perform mandated functions such as security management, inspection, law enforcement, access control, parking area and perimeter patrols, and administrative functions. The Commissioners Office must be able to respond to these changing priorities.

Deferred maintenance needs continue to increase at state facilities due to lack of capital funding and fewer available operating resources for vital preventative and routine maintenance tasks.

Major Component Accomplishments in 2001

- Significant improvements have been seen in the coordination, standardization and oversight of road and airport maintenance and operations. This is a direct result of the addition of the Statewide Maintenance Engineer.
- The feasibility study for the proposed Maintenance Management System has been completed. This program will assist in a more efficient use of resources dedicated to the maintenance and operations of the road system.

Statutory and Regulatory Authority

AS 44.42.010-900 State Government
AS 02 Aeronautics
AS 19 Highways and Ferries
AS 35 Public Building, Works and Improvements
AAC 13 Public Safety
AAC 14 Public Works
AAC 17 DOT&PF
CFR 14 Aeronautics
CFR 23 Highways

Transportation Management and Security

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 0.0 | 311.0 |
| 72000 Travel | 0.0 | 0.0 | 18.5 |
| 73000 Contractual | 0.0 | 0.0 | 6.5 |
| 74000 Supplies | 0.0 | 0.0 | 4.0 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 0.0 | 0.0 | 340.0 |
| Funding Sources: | | | |
| 1007 Inter-Agency Receipts | 0.0 | 0.0 | 132.0 |
| 1061 Capital Improvement Project Receipts | 0.0 | 0.0 | 208.0 |
| Funding Totals | 0.0 | 0.0 | 340.0 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <u>Unrestricted Revenues</u> | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <u>Restricted Revenues</u> | | | | | | |
| Interagency Receipts | 51015 | 0.0 | 0.0 | 0.0 | 132.0 | 132.0 |
| Capital Improvement Project Receipts | 51200 | 0.0 | 0.0 | 0.0 | 208.0 | 186.0 |
| Restricted Total | | 0.0 | 0.0 | 0.0 | 340.0 | 318.0 |
| Total Estimated Revenues | | 0.0 | 0.0 | 0.0 | 340.0 | 318.0 |

Transportation Management and Security

Proposed Changes in Levels of Service for FY2003

Increased emphasis on security is essential to alleviate the anxiety of the traveling public. A security chief can coordinate the resources of the department to assure that the highest level of safety is provided to the public and protect the state's traveling infrastructure.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 0.0 | 0.0 |
| Adjustments which will continue current level of service: | | | | |
| -Transfer in Statewide M&O coordinator PFT from Commissioner's Office to consolidate managers | 0.0 | 0.0 | 132.0 | 132.0 |
| Proposed budget increases: | | | | |
| -Add CIP for MMS Coordinator to implement Intelligent Transportation System | 0.0 | 0.0 | 79.0 | 79.0 |
| -Add Statewide Construction Coordinator PFT to oversee construction activities departmentwide | 0.0 | 0.0 | 129.0 | 129.0 |
| FY2003 Governor | 0.0 | 0.0 | 340.0 | 340.0 |

Transportation Management and Security

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 0 | 3 | Annual Salaries | 232,735 |
| Part-time | 0 | 0 | COLA | 6,774 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 72,571 |
| | | | <i>Less 0.35% Vacancy Factor</i> | (1,080) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 0 | 3 | Total Personal Services | 311,000 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|------------------------|-----------|-----------|----------|----------|----------|
| Engineer/Architect IV | 0 | 0 | 2 | 0 | 2 |
| Trans Maint Manager II | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 3 | 0 | 3 |

Component: Contracting, Procurement and Appeals

Contact: Mark O'Brien, Chief Contracts Officer

Tel: (907) 465-6990 **Fax:** (907) 586-8365 **E-mail:** Mark_O'Brien@dot.state.ak.us

Component Mission

The mission of Contracting, Procurement & Appeals is to execute the DOT&PF Commissioner's statutory responsibility for construction contracting, and to execute authority delegated by the Commissioner of the Department of Administration for non-construction procurements under AS 36.30.015.

Component Services Provided

Services provided by the Contracting, Procurement and Appeals component are to:

- develop, implement, and maintain policies, procedures, and operational standards that assure all transportation modes and regions (marine highways, statewide aviation, statewide design and engineering services, the regional highway construction and maintenance groups, and sister agencies with a DOT&PF delegation of construction authority) receive responsive and consistent guidance in the administration of construction and non-construction procurement and contracting.
- provide direct support on procurement practices, contract formation and contract administration.
- administer the protest and claim appeal resolution.
- oversee Departmental compliance with federal and state laws, regulations, and policies governing procurement and contract administration.
- recommend changes to procurement law when appropriate.
- review and improve where necessary solicitation and contract language that serves to minimize exposure to claims and protests.
- analyze and assist in the resolution of contract and procurement claims and disputes before they become appeals.
- process both construction and non-construction procurement Waiver Requests.
- approve Term Agreements, Public Interest Findings, Design/Build and Force Account work.
- supervise warehouse, inventory and property control.
- give training on how to solicit for and manage construction and non-construction procurement contracts.
- develop and implement policies and procedures involving state tribal relations.

Staff also monitor and report annually on:

- procurements made from sources out of state.
- the value of all procurements made annually.
- procurement violations and corrective action taken.
- open market authority (PCARD) use.
- all alternate procurements, regardless of cost.
- the number of bidders and proposers responding to our solicitations.
- civil litigation (protests and claims) completed and in process.

State owned, DOT&PF acquired, property valued in excess of \$1,000.

Component Goals and Strategies

To ensure compliance with all federal and state laws, regulations, and policies governing all forms of contracting and procurement.

- Provide advice, guidance, training and tools necessary to assure funding eligibility in accordance with federal aid and grant requirements.
- Ensure all non-construction related procurement officers are certified under the DOA Certification Program.
- Establish statewide consistency by the promulgation of statewide policy, regulation and procedures concerning procurement and contract administration.
- Evaluate and document all procurement waivers and public interest findings to ensure compliance with federal and state law.
- Act as liaison with the Department of Administration on evaluating shared interests in current regulatory and statutory authorities. Recommend changes in legislation where necessary to promote procurement efficiencies.

- Coordinate and review current and proposed procurement and contracting procedures with stakeholders including Associated General Contractors of Alaska, construction Labor Unions, and the Alaska Professional and Design Council.
- Administer the Contracting Officers' Warrant system and provide required training at statewide locations.

To promote efficient and economical contracts and/or improve project deliveries.

- Review procurement and contracting methods in use by other governmental entities and implement as appropriate;
- Continue to assess and advance the incorporation of electronic bidding procedures as appropriate.
- Promote cost savings through economies of scale and the establishment of department-wide term contracts;
- Renew and establish new Alaska Marine Highway System (AMHS) office space lease contracts to assure continuity of operations - purchase one-time requirements to meet project deadlines.

To provide responsible oversight of inventory and property control:

- Promote responsible management of state property by documenting lost, stolen, or damaged equipment and requesting the disposal of obsolete and excess property items.
- Establish sound departmental warehouse inventory levels and procedures by conducting annual reviews of regional warehouse functions.

Key Component Issues for FY2002 – 2003

- Contracting Officer Warrants are issued to those employees delegated construction procurement authority. The warrant certifies the holder has met the requirements of training and experience for procurement authority at a specific level. The DOT&PF Contracting Officers' Warrant System supplements coverage of Alaska Statute, Title 36, Public Contracts and is intended for use in the development and execution of construction projects. The Warrant System applies to all employees in the Department who are responsible for procuring and administering professional services and construction related activities, including those employees of Sister Agencies who are delegated authority from DOT&PF for construction activities. The Department will implement the System by issuing warrants to approximately 405 recipients, provide associated training, and develop and institute an electronic database for tracking and maintaining issued warrants.
- We are actively listening to contractors and working directly with them and construction industry representatives on claims adjudication procedures. These efforts will coordinate and review recommended changes to procurement, contracting, and claim settlement practices. Based on the findings, we will incorporate those changes in our processes to reduce the frequency, duration, and cost of resolving contractual disputes.
- This office will continue to work hard towards providing direct and immediate support to the regions and sister agencies so that uniform and consistent procurement and contract administration is assured. This will be accomplished not only by providing advice individually, but also by identification of those global needs for procurement and contract administration guidelines. Desired results will be achieved by issuance of new or revised policies and procedures, and by providing training at statewide locations. Such efforts will assure Department compliance with federal and state laws, regulations, and policies governing procurement and contract administration.
- We will continue our aggressive work with the Department of Labor to support the Department's and the Governor's efforts to promote local hire and to encourage local communities to assist the State in supporting local hire issues.

Major Component Accomplishments in 2001

- Completed the Contracting Officers' Warrant System development and began implementation of that program (see explanation of the system under "Key Component Issues for FY 2002 - FY 2003"). Also - assessed Warrant System training needs and began development of an extensive training program.
- Updated the Small Procurement Construction Manual making it more concise and user friendly. The Manual provides policy, procedure and guidance on small procurements of less than \$ 100,000 that are construction related. Publication and distribution of the new Manual will occur in FY 2002.
- Assisted the Dept. of Law in developing language for and movement to implementation of new law on payment of interest on settled construction claim appeals.
- Implemented agreements with the Bureau of Indian Affairs (BIA) for regional village participation on certain remote construction projects. This will be an ongoing, mutual effort with the BIA.

- Implemented new construction project advertising procedures that greatly reduced the size of the notices. This has the impact of saving substantially on annual advertising costs.
- Developed language for and moved for adoption of new or revised department policies and procedures on:
 1. Force Account Construction
 2. The Public Interest Finding
 3. Investigating Suspected Procurement Code Infractions, and
 4. Bid Openings
- From the STIP construction project list, reviewed and made formal determinations on each project on whether the site was a remote location in need of a contract requirement for a remote camp facility to house construction staff. This was/is a collaborative effort with regional directors, the Associated General Contractors of Alaska, and construction Labor Union(s).

Statutory and Regulatory Authority

U.S.C. Title 23

AS Title 02, Aeronautics

AS Title 19, Highways and Ferries

AS Title 35, Public Buildings, Works and Improvements

AS Title 36, (Procurement Code)

AS Title 44, (Applicable Portions)

2 AAC 12, Procurement Regulations

AAM (Alaska Administrative Manual)

Delegation of non-construction procurement authority from Dept. of Administration to the DOT&PF Commissioner

Contracting, Procurement and Appeals

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 417.7 | 437.5 | 450.1 |
| 72000 Travel | 17.7 | 12.0 | 12.0 |
| 73000 Contractual | 77.5 | 35.1 | 35.1 |
| 74000 Supplies | 14.3 | 6.9 | 6.9 |
| 75000 Equipment | 7.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 534.2 | 491.5 | 504.1 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 277.3 | 273.8 | 281.1 |
| 1007 Inter-Agency Receipts | 29.0 | 41.9 | 41.9 |
| 1026 Highway Working Capital Fund | 34.6 | 34.5 | 35.5 |
| 1027 International Airport Revenue Fund | 35.7 | 35.6 | 36.7 |
| 1061 Capital Improvement Project Receipts | 157.6 | 105.7 | 108.9 |
| Funding Totals | 534.2 | 491.5 | 504.1 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 29.0 | 41.9 | 29.0 | 41.9 | 29.0 |
| Capital Improvement Project Receipts | 51200 | 157.6 | 105.7 | 105.7 | 108.9 | 108.9 |
| Restricted Total | | 186.6 | 147.6 | 134.7 | 150.8 | 137.9 |
| Total Estimated Revenues | | 186.6 | 147.6 | 134.7 | 150.8 | 137.9 |

Contracting, Procurement and Appeals
Proposed Changes in Levels of Service for FY2003

None.

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 273.8 | 0.0 | 217.7 | 491.5 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 7.3 | 0.0 | 5.3 | 12.6 |
| FY2003 Governor | 281.1 | 0.0 | 223.0 | 504.1 |

Contracting, Procurement and Appeals**Personal Services Information**

| Authorized Positions | | Personal Services Costs | |
|-----------------------------|--------------------------|--------------------------------|---|
| | <u>FY2002</u> | <u>FY2003</u> | |
| | <u>Authorized</u> | <u>Governor</u> | |
| Full-time | 6 | 6 | Annual Salaries 331,230 |
| Part-time | 0 | 0 | COLA 9,378 |
| Nonpermanent | 0 | 0 | Premium Pay 2,052 |
| | | | Annual Benefits 117,471 |
| | | | <i>Less 2.18% Vacancy Factor</i> (10,031) |
| | | | Lump Sum Premium Pay 0 |
| Totals | 6 | 6 | Total Personal Services 450,100 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-------------------------|------------------|------------------|---------------|---------------|--------------|
| Administrative Clerk II | 0 | 0 | 1 | 0 | 1 |
| Chief Contracts Officer | 0 | 0 | 1 | 0 | 1 |
| Engineering Associate | 0 | 0 | 1 | 0 | 1 |
| Procurement Spec II | 0 | 0 | 1 | 0 | 1 |
| Procurement Spec III | 0 | 0 | 1 | 0 | 1 |
| Procurement Spec V | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 6 | 0 | 6 |

BRU/Component: Equal Employment and Civil Rights

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Contact: Mark O'Brien, Chief Contracts Officer

Tel: (907) 465-6990 **Fax:** (907) 586-8365 **E-mail:** Mark_O'Brien@dot.state.ak.us

Component Mission

The mission of the Equal Employment and Civil Rights component is to enhance the operations of the Department through the promotion, monitoring and support of Title VI Programs such as the External Equal Employment Opportunity (ExEEO) Program, the Disadvantaged Business Enterprises (DBE) Program, and the On The Job Training (OJT) Program in the transportation construction industry.

Component Services Provided

Staff is responsible for the following programs that have been developed and implemented in accordance with specific federal regulations:

- Three affirmative action programs (DBE, ExEEO, and OJT) which provide opportunities that otherwise would not normally exist within the construction arena. These programs apply to contractors and subcontractors working on USDOT-assisted projects.
- Two non-discrimination programs (Title VI of the Civil Rights Act of 1964 [Title VI] & Americans with Disabilities Act of 1990 [ADA]) which ensure equal treatment by the Department with respect to its dealings with the public in all phases of operation.
- Two support services programs which provide assistance to contractors and the public in understanding and participating in the DBE and OJT Programs.
- A contract compliance program that monitors, enforces contractor compliance, and assists with construction related affirmative action programs.

Component Goals and Strategies

To preserve funding from USDOT by administering an effective Civil Rights program. This includes:

- Ensure that the department is in compliance with all federal and state laws, regulations, and policies governing ExEEO, DBE and OJT on highway and airport construction projects;
- Ensure departmental compliance with federal non-discrimination and equal employment obligations on USDOT-assisted design and construction projects.
- Ensure sub-recipient (local governments, non-profit organizations, etc) compliance with federal non-discrimination obligations on Federal Highway Administration (FHWA)-assisted projects.
- Work closely with the Department of Labor to implement programs to increase local hire on highway and airport construction located in remote communities.
- Efficiently and effectively use FHWA grant funding to train and employ rural residents on highway and airport projects.
- Continue to refine changes made to the DBE program in FY2001 to ensure efficient, fair and effective administration of the program.
- Develop new and more effective ways to help DBE firms succeed on USDOT-assisted design and construction projects.

Key Component Issues for FY2002 – 2003

- Continue work with the Department of Labor to encourage local hire when viable and appropriate. New policy and procedures will need to be developed to better address local hire on USDOT-assisted construction in rural communities.
- The new DBE program has generated increased activity in the area of administrative appeals, reconsideration of construction bids and more detailed review of financial statements. This activity will require additional financial

resources to competently implement. Additional legal and training expenses may be incurred as a result of these DBE program changes.

- New regulations are anticipated for airport concessionaires in FY 2003 and that additional departmental efforts are anticipated to implement these regulations.
- Due to continued minimal staffing, Civil Rights office must be closely monitored to ensure no disruption in service during the construction season. Changes in federal regulations will result in increased reporting, creation of a bidder's list, development of a Unified Certification Program in cooperation with other Alaska recipients of USDOT assistance, additional review of financial statements and the need for increased legal assistance.

Major Component Accomplishments in 2001

Implemented a new initiative with an FHWA \$200,000 grant, in partnership with Alaska Department of Labor and Workforce Development Denali Training Fund, the US Department of Labor (ATELS) and the Alaska Native Council on Education and Training (ANCET), to increase Alaska Native rural employment on ADOT&PF projects by:

- Successfully training 39 St. Mary's area residents for CDL "B" licenses to work on St. Mary's Road project during 2001;
- Successfully training 72 Alaska Natives/American Indians for CDL "A" licenses to work on ADOT&PF projects statewide during FY 2001;
- Successfully training 43 Alaska Natives/American Indians as Operating Engineers to work on ADOT&PF projects statewide during FY 2001;
- Successfully training 5 Alaska Natives from the Y-K Delta area as Project Assistants to assist ADOT&PF Project Engineers on airport projects in the Y-K Delta area (4 were actually employed);
- Increasing the number of 645 trainee positions on ADOT&PF highway projects and for the first time creating trainee positions on airport projects to provide additional employment opportunities for rural residents; and
- Joining cooperative efforts with the Teamsters, Operating Engineers and Laborers to provide additional apprenticeship opportunities for ADOT&PF project trainees.

The office also completed 3 EEO complaint investigations against ADOT&PF contractors

Statutory and Regulatory Authority

- 49 CFR, Parts 21, 23 & 26
- 41 CFR, Part 60
- 23 CFR, Parts 200 & 230
- 29 CFR, Part 16.30
- 28 CFR, Part 35
- Section 504 of the Rehabilitation Act of 1973
- Title VI of the Civil Rights Act of 1964
- Civil Rights Restoration Act of 1987
- Americans with Disabilities Act of 1990

Key Performance Measures for FY2003

Measure:

The percentage of required compliance reviews for responsiveness to disadvantaged business enterprise and on-the-job training contract requirements completed.

Sec 141(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

14 reviews have been initiated of which 14 have been completed in FY2001. In FY2000, 13 were initiated and completed.

Benchmark Comparisons:

Released December 15th
12/31/2001 8:36

FY2003 Governor
Department of Transportation/Public Facilities

Equal Employment and Civil Rights is annually tasked by the Federal Highway Administration (FHWA) with completing 10 contract compliance reviews.

Background and Strategies:

The ADOT&PF Required Federal Contract Provisions form 25D55 stipulates the need for prime contractors working on USDOT-assisted projects to develop, disseminate and implement equal employment opportunity provisions for the prime contractor workforce and to pass this requirement on to its subcontractors. These requirements are based on federal regulations.

Annually, the Equal Employment and Civil Rights office reviews 10 prime contractors who cumulatively have the highest dollar values of contractors working on USDOT-assisted projects or those who have not previously been reviewed. The review consists of reviewing employment policies and strategies of the prime contractor and its subcontractors to ensure the employees are aware of the contractor's EEO policy and where to file complaints if there is a violation of those policies. Certified payrolls are reviewed to verify prime contractor payment reports made to the Equal Employment and Civil Rights office. When this office receives discrimination complaints, these are investigated in conjunction with a compliance review.

Contract compliance also includes reviewing a prime contractor's compliance with 49 CFR Part 26, as implemented through the department's federally approved DBE Program. This is to ensure the prime contractor provides DBE firms with the opportunities it has committed to as a condition of its contract with the department.

In accordance with 32 CFR Part 230.111, OJT requirements on FHWA projects are also reviewed during a prime contractor's contract compliance review. Larger FHWA assisted projects have OJT training goals assigned to the prime contractor to meet and ensure training opportunities are made available to minority and female applicants.

Equal Employment and Civil Rights

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 474.8 | 520.5 | 590.9 |
| 72000 Travel | 8.6 | 21.9 | 26.9 |
| 73000 Contractual | 34.4 | 41.9 | 45.1 |
| 74000 Supplies | 20.3 | 18.5 | 18.5 |
| 75000 Equipment | 1.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 539.1 | 602.8 | 681.4 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 306.5 | 307.2 | 313.8 |
| 1007 Inter-Agency Receipts | 2.0 | 2.0 | 2.0 |
| 1061 Capital Improvement Project Receipts | 230.6 | 293.6 | 365.6 |
| Funding Totals | 539.1 | 602.8 | 681.4 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Capital Improvement Project Receipts | 51200 | 230.6 | 293.6 | 293.6 | 365.6 | 365.6 |
| Restricted Total | | 232.6 | 295.6 | 295.6 | 367.6 | 367.6 |
| Total Estimated Revenues | | 232.6 | 295.6 | 295.6 | 367.6 | 367.6 |

Equal Employment and Civil Rights

Proposed Changes in Levels of Service for FY2003

Due to the selection of the ADOT&PF Civil Rights Office as the USDOT Unified Certification Program office for Alaska, we intend to add one additional Equal Employment Officer II position to facilitate the additional certification demands made by other USDOT recipients in the State of Alaska.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 307.2 | 0.0 | 295.6 | 602.8 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 6.6 | 0.0 | 7.0 | 13.6 |
| Proposed budget increases: | | | | |
| -Add EEO officer PFT to implement the Alaska Unified Certification Program | 0.0 | 0.0 | 65.0 | 65.0 |
| FY2003 Governor | 313.8 | 0.0 | 367.6 | 681.4 |

Equal Employment and Civil Rights

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 8 | 9 | Annual Salaries | 430,764 |
| Part-time | 1 | 1 | COLA | 9,833 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 163,234 |
| | | | <i>Less 2.14% Vacancy Factor</i> | (12,931) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 9 | 10 | Total Personal Services | 590,900 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Assistant | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk I | 1 | 0 | 0 | 0 | 1 |
| Engineering Assistant I | 1 | 0 | 0 | 0 | 1 |
| Engineering Assistant III | 1 | 0 | 0 | 0 | 1 |
| Equal Employ Officer II | 2 | 0 | 0 | 0 | 2 |
| Equal Employ Officer III | 2 | 0 | 0 | 0 | 2 |
| Statistical Technician II | 1 | 0 | 0 | 0 | 1 |
| Trans Planner II | 1 | 0 | 0 | 0 | 1 |
| Totals | 10 | 0 | 0 | 0 | 10 |

BRU/Component: Internal Review

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Contact: Robert W. Janes, Chief of Internal Review

Tel: (907) 465-2080 **Fax:** (907) 586-8365 **E-mail:** bob_janes@dot.state.ak.us

Component Mission

To provide professional audit assistance to Department management to insure compliance with Federal Highway Administration (FHWA) and Federal Aviation Administration (FAA) requirements and to provide independent assessments of Department operations.

Component Services Provided

Internal Review is an independent section within the Department of Transportation and Public Facilities that reports directly to the Commissioner. Internal Review is an extension of the management function that identifies problems and recommends actions that can correct those problems. It provides a measurement of how well the Department is meeting its statutory requirements and achieving its objectives.

This section is responsible for:

- Reviews of operations and identifies control weaknesses, addresses systems improvements, ensures compliance, and makes recommendations for improvement in utilization of resources (efficiency, economy, and effectiveness).
- Pre-award audit evaluations and final (post performance) audits on firms under contract with the Department to assist in negotiating rates and insuring that only agreed upon rates and charges have been paid.
- Audits performed on utility companies, concessionaires at the State's airports, grantees, and contractor claims involving federal-aid to insure agreed upon rates were used, proper fees collected and that contractor claims were supportable.
- Internal audits on major federal and state programs and assists in special program reviews conducted by the FHWA and FAA.
- Assists the Division of Legislative Audit in the OMB Circular A-133 required Single Audit of Department operations.

Component Goals and Strategies

To determine that Department programs are administered and controlled with maximum effectiveness and efficiency in accordance with existing statutes, regulations, policies and procedures and plans; and that contracts have been awarded and administered in compliance with federal and state laws and regulations.

- Conduct annual audits/reviews of consulting engineering firm's salary and overhead rates
- Conduct annual audits of utility companies to verify rates and charges
- Conduct internal reviews of Department operations to the extent feasible, given operating budget constraints
- Conduct audits of concessionaires at the Fairbanks and the Ted Stevens Anchorage International airports
- Assist the Division of Legislative Audit in the annual state single audit
- Conduct audits of contractor claims as requested

Key Component Issues for FY2002 – 2003

A significant portion of the Internal Review's audit work is performed on the federal programs on specific projects. However, a portion of the audit work and associated operating costs is not eligible to be charged to the federal programs. The most cost-effective method of meeting audit requirements is to perform the audits in-house. It is important for the Internal Review Section to receive an adequate amount of general funds to continue audit functions not eligible for federal funds or overhead reimbursement.

It is essential for Internal Review to comply with the federal requirements of A-87. Therefore, Internal Review has shifted from direct charging to indirectly charging projects receiving audit services. This has been accomplished by budget adjustments submitted for fiscal year 2002 and brings the section into compliance with federal regulations.

Major Component Accomplishments in 2001

- The Internal Review Section completed 51 consultant engineering overhead rate audits, 27 utility company rate audits, 18 cost allocation plan reviews, 15 concession audits, and 10 final audits to insure rates and other charges under contracts with the Department are supportable and meet federal requirements.
- Worked on several contractor claims and have assisted departmental staff and state attorneys in reducing claims on projects.
- Assisted the Division of Legislative Audit in performance of their annual single audit of the State, which completes the federal single audit requirements.

Statutory and Regulatory Authority

The following Federal and State Regulations and Statutes apply in general to the establishment and operation of the Internal Review Section:

AS 44.17.010, 020, 040 (Dept authority to establish organization and staffing)

AS 36.30.420 (Right to audit records)

AS 35.05.050 (Cooperation with the federal government for construction of public works)

Alaska Procurement Code and the Department Professional Services Agreement (PSA) Manual

Memorandum of Agreement between Alaska DOT/PF and FHWA

CFR Title 23 Part 645 (Accounting standards for utility companies)

CFR Title 48 Part 31 (Contract Cost Principles)

OMB Circular A-133 on the Federal Single Audit

Key Performance Measures for FY2003

Measure:

The percentage of requested engineering firm audits and desk reviews completed in the previous fiscal year.
Sec 141(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Our target is to complete all audit requests in a timely manner and have no outstanding requests at year end. During fiscal year 2001 Internal Review received requests for and completed 51 engineering firm audits or desk reviews. Therefore, Internal Review is on track in addressing this performance measure as all audits requested have been completed.

Benchmark Comparisons:

There is no benchmark for the number of this type of audit to be performed by other states or departments.

Background and Strategies:

Audits of engineering firms are required to document accounting systems and overhead and salary rates to be used in negotiating professional services contracts with the Department and insure that federal eligibility requirements are met. These audits are generally requested by management during the negotiation process. If audits are not performed on a timely basis it will slow or hinder the approval of contracts which are essential for ongoing project work. Internal Review's strategy is to give these audit requests high priority to insure audit information is provided to management and staff negotiators as quickly as possible after the request for audit is received

Internal Review

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 555.4 | 658.1 | 675.0 |
| 72000 Travel | 12.3 | 29.2 | 29.2 |
| 73000 Contractual | 27.3 | 25.5 | 25.5 |
| 74000 Supplies | 29.9 | 26.5 | 26.5 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 624.9 | 739.3 | 756.2 |
| Funding Sources: | | | |
| 1003 General Fund Match | 74.9 | 0.0 | 0.0 |
| 1004 General Fund Receipts | 55.3 | 58.7 | 59.2 |
| 1027 International Airport Revenue Fund | 64.5 | 65.1 | 66.8 |
| 1053 Investment Loss Trust Fund | 1.9 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 428.3 | 615.5 | 630.2 |
| Funding Totals | 624.9 | 739.3 | 756.2 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Capital Improvement Project Receipts | 51200 | 428.3 | 615.5 | 615.5 | 630.2 | 630.2 |
| Restricted Total | | 428.3 | 615.5 | 615.5 | 630.2 | 630.2 |
| Total Estimated Revenues | | 428.3 | 615.5 | 615.5 | 630.2 | 630.2 |

Internal Review

Proposed Changes in Levels of Service for FY2003

none

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 58.7 | 0.0 | 680.6 | 739.3 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.5 | 0.0 | 16.4 | 16.9 |
| FY2003 Governor | 59.2 | 0.0 | 697.0 | 756.2 |

Internal Review

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 9 | 9 | Annual Salaries | 504,363 |
| Part-time | 1 | 1 | COLA | 12,271 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 177,738 |
| | | | Less 2.79% Vacancy Factor | (19,372) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 10 | 10 | Total Personal Services | 675,000 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Clerk I | 0 | 0 | 1 | 0 | 1 |
| Internal Auditor I | 0 | 0 | 1 | 0 | 1 |
| Internal Auditor II | 1 | 0 | 0 | 0 | 1 |
| Internal Auditor III | 3 | 1 | 0 | 0 | 4 |
| Internal Auditor IV | 1 | 0 | 0 | 0 | 1 |
| Internal Auditor V | 0 | 0 | 1 | 0 | 1 |
| Statistical Technician I | 1 | 0 | 0 | 0 | 1 |
| Totals | 6 | 1 | 3 | 0 | 10 |

Administrative Services Budget Request Unit

Contact: Nancy J. Slagle, Director, Administrative Services
Tel: (907) 465-3911 **Fax:** (907) 465-3124 **E-mail:** Nancy_Slagle@dot.state.ak.us

BRU Mission

The mission of the Division of Administrative Services is to support the department's operations with quality administration and information technology.

BRU Services Provided

- Provides centralized services in the areas of personnel and payroll, internal equal employment reporting for federal programs, budget, finance, cost allocation plans, collection of federal and other revenue.
- Development of policies and procedures.
- Oversight of the State Equipment Fleet and Highway Working Capital Fund.
- Liaison between DOTPF and the Dept. of Administration for financial, personnel, payroll, and information technology directives.
- Liaison between the Office of Management and Budget and the Legislature relating to budget issues.
- Funds the day-to-day operational support for the department in 85 locations throughout the state.

Provides and maintains essential information technologies supporting the department's mission.

BRU Goals and Strategies

Provide administrative and technological support that results in the most efficient delivery of department services to the public.

- Balance changes that reduce cost against the risks of errors and the ultimate impact on the public.
- Collect federal reimbursements as soon as possible.
- Reduce department exposure to liability lawsuits and grievances by providing guidance to personnel at the region and division level.
- In consultation with the Department of Administration, study payroll processes to identify areas needing improvement.
- Maintain the position classification function in a cost-effective manner in accordance with State of Alaska merit system principles.
- Bill, collect, and post landing fees for rural airports to assure uninterrupted air service to rural communities.
- Audit ferry terminal sales reports and collect credit card generated revenues.
- Plan, implement, and maintain software applications and information technology infrastructure which support statewide department functions.
- Provide and maintain quality local area network, desktop, application support and training.
- Develop and implement an apprentice program to assure continued delivery of safe and secure services to the travelling public.

Key BRU Issues for FY2002 – 2003

The Division will continue to analyze services it provides in an effort to find the most efficient and effective methods of service delivery. Areas currently under review, or in initial stages of implementation include an automated system to streamline timesheet processing, improved financial monitoring of capital projects, improvements to the federal project closure process, and implement a pilot project to pay contractors electronically.

Assistance to division managers continues to be difficult when facing increasing federal construction programs, no increase in administrative staff, increased reliance on contracted services, continually changing technology, changing administrative rules for federal indirect cost participation, and decreasing general fund support.

The Governmental Accounting Standards Board statement No. 34 adopted in June 1999 requires the reporting of infrastructure in the state's annual financial reports. Decisions need to be made and implementation plans formulated to meet this reporting requirement. Requirement analysis is needed to determine what data and systems currently exist

that can be used to meet these requirements. Finally, a process should be developed for documenting and reporting the costs of infrastructure assets.

The Federal Aviation Administration (FAA) has developed new policies that require 90% of all Airport Improvement (AIP) projects over four years old to be closed or new grant funds will be withheld from the state. Review and improvement of closure processes is necessary not just to assure compliance with FAA, but for prompt closure of all construction projects. A task force developed recommendations to improve the closure process. Extra effort will be needed

Major BRU Accomplishments in 2001

- Received no audit findings from the Office of the Inspector General upon completion of their review of department accounting for the AIP funded through FAA.
- Assisted regional project control offices with the closure of 90% of all FAA grants over four years old.
- Successfully incorporated recommended standard project coding costing the department's Indirect Cost Allocation Plan for FY01 developed in FY01.
- Converted Alaska Marine Highway System (AMHS) Vessel Employee Leave Accrual processing to AKPAY (State payroll system).
- Established a task force that identified and implemented recommendations to improve the closing Capital Improvement Projects.
- Trained department employees on the new rules governing indirect costs under the fully implemented and approved OMB Circular A-87 compliant plan.
- Received FHWA approval of Internal Annual Assurances/Affirmative Action Plan with no findings.
- Successfully tested electronic payments to contractors and other large vendors.
- Implemented and tested new taxable travel compensation system.
- Implemented a consolidated server and a new licensing strategy for the Oracle relational database management system.
- Implemented an email capability on each AMHS vessel and provided for email delivery when near a wireless bridge.
- Assisted in the creation of the RFP, vendor testing, vendor selection, and vendor negotiations for the Maintenance Management System.

Key Performance Measures for FY2003

Measure:

Maintain the average time for payment to vendors at 29 days or less
Sec 142(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Over the past three years the department has maintained an average of 24 days to pay vendors. Through the first quarter of FY02 the department is continuing to maintain a 24 day average for processing invoices.

Benchmark Comparisons:

A.S. 37.05.285 states, "Payment for purchases of goods or services provided a state agency shall be made by a required date that is 30 days after receipt of a proper billing for the amount of the payment due, if a date on which payment is due is not established by contract and if the billing contains or is accompanied by documents required by the contract or purchase order."

Background and Strategies:

During FY01, the department processed an average of 11,712 invoices at \$6,014 per invoice each month. Over that time period the department processed payments within 24 days. The complexities of the invoices being processed vary from basic monthly maintenance contracts to construction related progress payments. The ability to make payments on contracts require appropriate sign-offs by project engineers and managers indicating satisfactory completion of tasks. Additionally, invoices must be approved regarding adequate budgetary authority. Payment

delays can be caused by the many hand-offs that occur receiving approvals, mail time between offices, errors in the invoice, errors in account coding, and inadequate funding levels.

The number of administrative staff continues to stay static or be reduced and the volume of accounting activity is increasing due to larger federal programs. Because of this, the department is constantly looking for methods to improve the processing of payments. Peer groups continue to meet to identify areas of improvement such as utility payments.

Recently the department has implemented the use of purchasing cards (P-Card). This allows the purchase of small dollar supply items with a credit card. This reduces the number of warrants issued since only a single warrant is needed for the credit card company. In FY01 5,600 invoices were paid using P-Card. Credit cards are also used for travel related expenditures.

Also, within the past few months the department has begun paying construction contractors through electronic deposit (EDI). So far there are 25 vendors signed up to receive payments through EDI and 48 payments have been processed in the past month using EDI.

Measure:

The percentage reduction in payroll calculation errors.
Sec 142(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The Division began tracking the extent of payroll calculation error rates and their causes in January 2001. Prior to that we had no information on the level of errors or what was driving rejection of payroll batches. Data is still not adequate to determine what our target should be. The incomplete data currently shows the Department error rate at 1.9% based on errors per number of payroll warrants issued. Of that rate, 1.26% is related to avoidable errors. It is evident in this short data collection period that the prevalent area of errors is in data entry.

Benchmark Comparisons:

We are not aware of any state comparisons that are available.

Background and Strategies:

The department has anywhere from 2,700 to 3,200 employees at any given time. These employees are covered by eight different bargaining units, including three marine unions. The complexities involved with calculating payroll are increased even more depending on such factors as which vessel an employee is located and their working status. Time constraints, shortage of staff due to budget reductions, illness or vacations, changing union agreements, and general staff turnover contribute to a potentially high error rate.

The department is always looking at methods to improve the delivery of services. The division, in collaboration with the Department of Administration, Division of Finance, is analyzing payroll processes in an effort to streamline payroll processing and reduce error rates. Meetings to discuss development of an electronic timesheet are moving forward. Streamlining payroll processes will take time and resources to implement.

Administrative Services
BRU Financial Summary by Component

All dollars in thousands

| | FY2001 Actuals | | | | FY2002 Authorized | | | | FY2003 Governor | | | |
|-------------------------------|------------------|------------------|----------------|----------------|-------------------|------------------|----------------|----------------|------------------|------------------|----------------|-----------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| Statewide Admin Services | 1,133.7 | 0.0 | 629.2 | 1,762.9 | 1,131.4 | 0.0 | 617.2 | 1,748.6 | 1,213.6 | 0.0 | 721.5 | 1,935.1 |
| Statewide Information Systems | 1,321.4 | 0.0 | 596.4 | 1,917.8 | 1,179.2 | 0.0 | 623.3 | 1,802.5 | 1,195.9 | 0.0 | 786.6 | 1,982.5 |
| State Equipment Fleet Admin | 0.0 | 0.0 | 2,392.5 | 2,392.5 | 0.0 | 0.0 | 2,356.0 | 2,356.0 | 0.0 | 0.0 | 2,628.1 | 2,628.1 |
| Regional Admin Services | 1,470.0 | 0.0 | 2,069.1 | 3,539.1 | 1,592.6 | 0.0 | 1,957.0 | 3,549.6 | 1,636.9 | 0.0 | 2,065.5 | 3,702.4 |
| Totals | 3,925.1 | 0.0 | 5,687.2 | 9,612.3 | 3,903.2 | 0.0 | 5,553.5 | 9,456.7 | 4,046.4 | 0.0 | 6,201.7 | 10,248.1 |

Administrative Services**Proposed Changes in Levels of Service for FY2003**

The work being done by department employees have inherent safety risks whether on our roadways, airports, vessels, harbors or facilities. Each year DOT&PF spends approximately \$2 million in workers compensation claims. The department pays other costs related to motor vehicle accidents/claims. We need to closely examine these risks, emphasize safety in the workplace and make changes in the way we do business to minimize risk. A safety officer for the department will provide direction and coordinate an appropriate safety program to deal with these issues.

Administrative Services**Summary of BRU Budget Changes by Component****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 3,903.2 | 0.0 | 5,553.5 | 9,456.7 |
| Adjustments which will continue current level of service: | | | | |
| -Statewide Admin Services | 30.1 | 0.0 | 17.2 | 47.3 |
| -Statewide Information Systems | 16.7 | 0.0 | 13.1 | 29.8 |
| -State Equipment Fleet Admin | 0.0 | 0.0 | 22.1 | 22.1 |
| -Regional Admin Services | 44.3 | 0.0 | 59.2 | 103.5 |
| Proposed budget increases: | | | | |
| -Statewide Admin Services | 52.1 | 0.0 | 87.1 | 139.2 |
| -Statewide Information Systems | 0.0 | 0.0 | 150.2 | 150.2 |
| -State Equipment Fleet Admin | 0.0 | 0.0 | 250.0 | 250.0 |
| -Regional Admin Services | 0.0 | 0.0 | 49.3 | 49.3 |
| FY2003 Governor | 4,046.4 | 0.0 | 6,201.7 | 10,248.1 |

Component: Statewide Administrative Services

Contact: Nancy J. Slagle, Director, Administrative Services
Tel: (907) 465-3911 **Fax:** (907) 465-3124 **E-mail:** Nancy_Slagle@dot.state.ak.us

Component Mission

To support the department's operations with quality administration and information technology.

Component Services Provided

This component provides centralized services in the areas of personnel and payroll, internal equal employment reporting for federal programs, budget, finance, cost allocation plans, collection of federal and other revenue, and development of policies and procedures. It also provides the oversight of the Information Systems Section, the Headquarters State Equipment Fleet Offices and the Highway Working Capital Fund.

Acts as liaison between DOT&PF and the Department of Administration for financial, personnel, payroll, and information technology directives, and the Office of Management and Budget and the Legislature relating to budget issues.

Component Goals and Strategies

Provide administrative support that results in the most efficient delivery of department services to the public.

- Balance changes that reduce cost against the risks of errors and the ultimate impact on the public.
- Have an indirect cost allocation plan that maximizes cost reimbursements from federal programs and allows calculation of total costs of providing various services.
- Collect federal reimbursements as soon as possible.
- Develop policies and procedures that assist in the implementation of state and federal laws and regulations.
- Develop an apprentice program to assure continued delivery of services to the travelling public.

Key Component Issues for FY2002 – 2003

The Division will continue to analyze services it provides in an effort to find the most efficient and effective methods of service delivery. Areas currently under review, or in initial stages of implementation include: improved financial monitoring of capital projects, electronic timesheets, FHWA's newly revised financial system (FMIS 4.0) and FHWA's new payment system—Rapid Approval and State Payment System (RASPS).

At least 20% of the department's Labor, Trades and Crafts work force is eligible for retirement in the next four years with retirements occurring daily. The department is greatly concerned with its ability to replace these individuals who provide essential services to assure the safety of the travelling public.

Major Component Accomplishments in 2001

- Received no audit findings from the Office of the Inspector General upon completion of their review of department accounting for the AIP funded through FAA.
- Assisted regional project control offices with the closure of 90% of all FAA grants over four years old.
- Established a task force that identified and implemented recommendations to improve the closing Capital Improvement Projects.
- Trained department employees on the new rules governing indirect costs under the fully implemented and approved OMB Circular A-87 compliant plan.
- Successfully defended the department in a high-profile and sensitive arbitration.
- Received FHWA approval of Internal Annual Assurances/Affirmative Action Plan with no findings.
- Secured approval for salary range increases for positions in some engineering job classes that allowed the department to retain current staff and help recruit for vacant positions.

Statutory and Regulatory Authority

AS 44.42.010-900 State Government
AS 02 Aeronautics
AS 19 Highways and Ferries
AS 35 Public Building, Works and Improvements

Statewide Administrative Services

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,492.2 | 1,587.9 | 1,745.0 |
| 72000 Travel | 32.3 | 21.0 | 33.9 |
| 73000 Contractual | 197.4 | 120.1 | 130.1 |
| 74000 Supplies | 41.0 | 19.6 | 26.1 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,762.9 | 1,748.6 | 1,935.1 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 1,133.7 | 1,131.4 | 1,213.6 |
| 1026 Highway Working Capital Fund | 94.9 | 94.7 | 97.5 |
| 1027 International Airport Revenue Fund | 87.1 | 87.5 | 91.4 |
| 1061 Capital Improvement Project Receipts | 330.0 | 332.9 | 430.5 |
| 1076 Marine Highway System Fund | 117.2 | 102.1 | 102.1 |
| Funding Totals | 1,762.9 | 1,748.6 | 1,935.1 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Capital Improvement Project Receipts | 51200 | 330.0 | 332.9 | 332.9 | 430.5 | 430.5 |
| Restricted Total | | 330.0 | 332.9 | 332.9 | 430.5 | 430.5 |
| Total Estimated Revenues | | 330.0 | 332.9 | 332.9 | 430.5 | 430.5 |

Statewide Administrative Services**Proposed Changes in Levels of Service for FY2003**

Due to the high risk of personal injury in the work being done by department staff, greater emphasis is needed to reduce those risks and associated costs. A Safety Chief will be added to provide guidance and coordinate an appropriate workplace safety program.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 1,131.4 | 0.0 | 617.2 | 1,748.6 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 30.1 | 0.0 | 17.2 | 47.3 |
| Proposed budget increases: | | | | |
| -Add ICAP to maintain fiscal services departmentwide | 0.0 | 0.0 | 35.0 | 35.0 |
| -Add PFT to serve as Department Safety Officer and coordinator | 52.1 | 0.0 | 52.1 | 104.2 |
| FY2003 Governor | 1,213.6 | 0.0 | 721.5 | 1,935.1 |

Statewide Administrative Services

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 26 | 27 | Annual Salaries | 1,293,135 |
| Part-time | 0 | 0 | COLA | 36,046 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 482,649 |
| | | | Less 3.69% Vacancy Factor | (66,830) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 26 | 27 | Total Personal Services | 1,745,000 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|-----------|-----------|-----------|----------|-----------|
| Accountant II | 0 | 0 | 3 | 0 | 3 |
| Accountant III | 0 | 0 | 2 | 0 | 2 |
| Accountant IV | 0 | 0 | 2 | 0 | 2 |
| Accounting Tech I | 0 | 0 | 2 | 0 | 2 |
| Accounting Tech II | 0 | 0 | 1 | 0 | 1 |
| Accounting Tech III | 0 | 0 | 2 | 0 | 2 |
| Administrative Clerk I | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk II | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk III | 0 | 0 | 2 | 0 | 2 |
| Department Safety Officer | 0 | 0 | 1 | 0 | 1 |
| Division Director | 0 | 0 | 1 | 0 | 1 |
| Human Resources Mgr III | 0 | 0 | 1 | 0 | 1 |
| Labor Rel Specialist II | 0 | 0 | 1 | 0 | 1 |
| Personnel Asst I | 0 | 0 | 1 | 0 | 1 |
| Personnel Officer I | 0 | 0 | 1 | 0 | 1 |
| Personnel Officer II | 0 | 0 | 1 | 0 | 1 |
| Personnel Specialist I | 0 | 0 | 2 | 0 | 2 |
| Program Budget AnalystIV | 0 | 0 | 2 | 0 | 2 |
| Totals | 0 | 0 | 27 | 0 | 27 |

Component: Statewide Information Systems

Contact: Nancy J. Slagle, Director, Administrative Services
Tel: (907) 465-3911 **Fax:** (907) 465-3124 **E-mail:** Nancy_Slagle@dot.state.ak.us

Component Mission

To support the department's operations with quality administration and information technology.

Component Services Provided

The Information Systems Section provides essential information technologies supporting the department's mission. These include financial systems supporting federal highway and aviation billings; federal compliance reporting in human resources; federal Capital Improvement Project programming and obligation management for both highways and aviation; electronic commerce managing design engineering Requests for Proposal; electronic messaging within the department and with other local, state, and federal government agencies, the general public and the private sector; Internet web services for cost efficient information dissemination and interactive public participation forums on department plans; all major statewide systems support for major system servers and the wide-area-network. Of special importance are the various statewide databases receiving hardware and systems support from this component including: Management Reporting Systems; Project Status Management; Employee Training, Licensing, and Qualifications tracking; Requests for Proposal (RFP) Manager; Marine Maintenance Management System; Right-of-Way Permit System; and other mission critical statewide systems such as, payroll analysis in support of ferry crew dispatching.

Component Goals and Strategies

Plan, implement, and maintain software applications and information technology infrastructure which support statewide department functions necessary to the department's mission.

- Advocate, ensure and monitor support of wide-area-networking in locations such as Alaska, British Columbia, and Washington, that connect to other government agencies in the local, state, federal governments, and partnerships with the general public and private sector.
- Provide quality local area network, desktop, application support and training for departmental users that have service level agreements.
- Manage all systems in a cost effective way that provides a high level of reliability and disaster recovery capability, recognizing the expensive statewide productivity loss associated with downtime.
- Provide web based system performance monitoring, reporting and alerting for all servers, routers and printers.
- Maintain high level expertise on current and promising technologies to support the work of all information technology specialists in the department through consulting, strategies, policies, standards, and cost efficiencies.
- Migrate in-house software applications into open standards to promote maintainability, interoperability and scalability.

Key Component Issues for FY2002 – 2003

The State and those entities and individuals it does business with continue to be more technologically reliant. The whole technology industry is changing so rapidly that opportunities for efficiency in the way we do business continue to increase. With the advent of e-commerce and reliance on the web to provide services and information, a greater reliance is placed upon the Information Systems staff to keep up. The amount of work is enormous and the resources are limited. Priorities must be set and some of the department's technological needs will not be met. Training and employee retention are key to providing adequate services on a continuing basis.

Major Component Accomplishments in 2001

- Implemented a consolidated server and a new licensing strategy for the Oracle relational database management system.
- Implemented a new test bed system that allows for testing of upgrading existing and new systems without disrupting existing production systems.

- Created an automated interface from the current state payroll system to feed the creation of email accounts and directory services
- Implemented an e-mail capability on each AMHS vessel and provided for e-mail delivery when near a wireless bridge.
- Participated in various Intelligent Transportation Systems initiatives with regard to CVISN and RWIS.
- Assisted in the creation of the RFP, vendor testing, vendor selection and vendor negotiations for the Maintenance Management System
- Provided enhancements to the Management Reporting System.
- Provided oversight and assistance in the rewiring of the Aviation Building from Token Ring to Ethernet Cat5 wiring.
- Performed system maintenance on the following AMHS sub-systems of the Employee Information System: Alaska Residency; Uniform Allowance; Optional Life Insurance; Leave Balance Letters; PFD Cross-match; CSV extract; Pay by ETV; LTC Seniority; Overtime Summary; Employees/Vacancy.

Statutory and Regulatory Authority

| | |
|------------------|---|
| AS 44.42.010-900 | Powers and Duties of DOT&PF |
| AS 02 | Aeronautics |
| AS 19 | Highways and Aviation |
| AS 35 | Public Facilities, Works and Improvements |
| AS 36 | Procurement |

Statewide Information Systems

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,103.1 | 1,182.1 | 1,262.1 |
| 72000 Travel | 12.8 | 17.9 | 17.9 |
| 73000 Contractual | 661.9 | 548.2 | 648.2 |
| 74000 Supplies | 45.0 | 41.6 | 41.6 |
| 75000 Equipment | 95.0 | 12.7 | 12.7 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,917.8 | 1,802.5 | 1,982.5 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 1,321.4 | 1,179.2 | 1,195.9 |
| 1007 Inter-Agency Receipts | 141.8 | 172.6 | 205.1 |
| 1061 Capital Improvement Project Receipts | 447.0 | 450.7 | 581.5 |
| 1076 Marine Highway System Fund | 7.6 | 0.0 | 0.0 |
| Funding Totals | 1,917.8 | 1,802.5 | 1,982.5 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 141.8 | 172.6 | 172.6 | 205.1 | 205.1 |
| Capital Improvement Project Receipts | 51200 | 447.0 | 450.7 | 450.7 | 581.5 | 581.5 |
| Restricted Total | | 588.8 | 623.3 | 623.3 | 786.6 | 786.6 |
| Total Estimated Revenues | | 588.8 | 623.3 | 623.3 | 786.6 | 786.6 |

Statewide Information Systems

Proposed Changes in Levels of Service for FY2003

Service levels will be kept the same, though the methods may be changed.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 1,179.2 | 0.0 | 623.3 | 1,802.5 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 16.7 | 0.0 | 13.1 | 29.8 |
| Proposed budget increases: | | | | |
| -Add ICAP to maintain services to regions | 0.0 | 0.0 | 50.2 | 50.2 |
| -Add I/A to maintain services and meet rising technology costs | 0.0 | 0.0 | 100.0 | 100.0 |
| FY2003 Governor | 1,195.9 | 0.0 | 786.6 | 1,982.5 |

Statewide Information Systems

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 16 | 16 | Annual Salaries | 945,953 |
| Part-time | 0 | 0 | COLA | 22,611 |
| Nonpermanent | 0 | 0 | Premium Pay | 2,264 |
| | | | Annual Benefits | 325,800 |
| | | | Less 2.66% Vacancy Factor | (34,528) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 16 | 16 | Total Personal Services | 1,262,100 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|-----------|----------|-----------|
| Administrative Assistant | 0 | 0 | 1 | 0 | 1 |
| Analyst/Programmer III | 0 | 0 | 1 | 0 | 1 |
| Analyst/Programmer IV | 1 | 0 | 2 | 0 | 3 |
| Analyst/Programmer V | 0 | 0 | 3 | 0 | 3 |
| Data Processing Mgr I | 0 | 1 | 0 | 0 | 1 |
| Data Processing Mgr III | 0 | 0 | 1 | 0 | 1 |
| Micro/Network Spec I | 1 | 0 | 1 | 0 | 2 |
| Micro/Network Spec II | 1 | 1 | 1 | 0 | 3 |
| Systems Programmer III | 0 | 0 | 1 | 0 | 1 |
| Totals | 3 | 2 | 11 | 0 | 16 |

Component: State Equipment Fleet Administration

Contact: Gene Darling, Fleet Manager

Tel: (907) 269-0787 **Fax:** (907) 269-0801 **E-mail:** Gene_Darling@dot.state.ak.us

Component Mission

The mission of the Statewide State Equipment Fleet (SEF) is to replace, maintain, and manage state-owned vehicles, equipment, and attachments for safe and appropriate use.

Component Services Provided

- The State Equipment Fleet is responsible for the management, maintenance and inventory of all state vehicles, equipment and attachments assigned to state agencies.
- The regional SEF components provide maintenance, repair and servicing of state equipment at maintenance and operations shops, remote rural airport stations, and roadside locations throughout Alaska. Preventative maintenance, safety and vehicle emission inspections, parts procurement, and inventory control are provided. Equipment is evaluated and specifications are prepared in coordination with SEF Headquarters for the equipment replacement program. New vehicles, equipment and attachments are received, checked in and issued to using agencies.
- State Equipment Fleet manages the Highway Equipment Working Capital Fund (HEWCF), purchases new equipment and vehicles for all state agencies, and provides administrative support including, but not limited to: policies and procedures, financial reporting, computer systems, training, billing of HEWCF charges, and coordination between regional SEF components.
- State Equipment Fleet evaluates excess equipment and sells at auction or assigns to an appropriate alternative use.

Component Goals and Strategies

Effectively manage the Highway Equipment Working Capital Fund to insure sufficient revenues for purchasing and maintenance of equipment and vehicle needs in future fiscal years.

- Maintain sufficient cash flow in the Highway Equipment Working Capital Fund, following Generally Accepted Accounting Principles, for equipment maintenance and replacement.
- Prepare a rate structure that allocates costs fairly and will allow for no financial gain or loss (break even) on operating activities and produce sufficient revenue to cover operating overhead on the replacement, fuel payment and daily rental programs

Provide a well-equipped, cost-effective fleet for all state agencies.

- Coordinate equipment maintenance activity statewide for all SEF personnel, improve preventative maintenance service and reduce costs for state owned assets.
- Measure effectiveness of equipment replacement program by reducing the percentage of "Z" status equipment (eligible for replacement) to no more than 5 percent of the fleet for both the light duty vehicles and heavy-duty equipment.
- Maintain good vendor relations as measured by the number of protests. The goal is to not exceed 1 bid protest annually.

Key Component Issues for FY2002 – 2003

The State Equipment Fleet (SEF) operates 44 shops and has more than 150 employees that provide general and preventative maintenance and all parts supply. There are approximately 7,600 vehicles accounted for in the fleet information system, with 4,800 vehicles comprised of light duty, heavy duty and attachments under SEF management. The Department contracted with a private fleet management consulting firm to do a broad review and a detailed performance and productivity evaluation of the delivery of fleet services. The consulting report was issued in December 2000. Over the past eight months the review has been evaluated. Almost all recommendations will be implemented starting in FY2002. It will take two or three years to fully implement the approved recommendations.

Major Component Accomplishments in 2001

- SEF performed all required services during FY2001. Expenses increased 4.1 percent over FY2000 due to increased credit card fuel costs, the cost of the consultant report, and negotiated salary increases.
- The goal of 80 percent PM compliance was met.
- SEF completed the modification of its computer systems to track downtime. For FY2001 downtime for urban, light duty vehicles was 7.8 percent. As of September the FY2002 year to date downtime for the same group of vehicles was 4.8 percent.
- For FY2001 the rate comparison for SEF versus the *Rental Rate Blue Book* indicated that the breakeven point was 4.7 months. SEF rates were cheaper if the average vehicle was needed for 4.7 months or longer.

Statutory and Regulatory Authority

- AS 44.68.210-290
- AS 44.42.020 (11)

State Equipment Fleet Administration
Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|-----------------------------------|-----------------------|--------------------------|------------------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 753.8 | 830.6 | 867.7 |
| 72000 Travel | 8.1 | 14.7 | 14.7 |
| 73000 Contractual | 173.4 | 139.0 | 139.0 |
| 74000 Supplies | 1,457.2 | 1,371.7 | 1,606.7 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 2,392.5 | 2,356.0 | 2,628.1 |
| Funding Sources: | | | |
| 1007 Inter-Agency Receipts | 0.0 | 15.4 | 11.8 |
| 1026 Highway Working Capital Fund | 2,392.5 | 2,340.6 | 2,616.3 |
| Funding Totals | 2,392.5 | 2,356.0 | 2,628.1 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|-------------------------------|-----------------------|--------------------------|-----------------------------|------------------------|------------------------|
| <u>Unrestricted Revenues</u> | | | | | | |
| Unrestricted Fund | 68515 | -102.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | -102.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| <u>Restricted Revenues</u> | | | | | | |
| Interagency Receipts | 51015 | 0.0 | 15.4 | 15.4 | 11.8 | 11.8 |
| Restricted Total | | 0.0 | 15.4 | 15.4 | 11.8 | 11.8 |
| Total Estimated Revenues | | -102.5 | 15.4 | 15.4 | 11.8 | 11.8 |

State Equipment Fleet Administration

Proposed Changes in Levels of Service for FY2003

SEF is implementing the approved recommendations included in the independent fleet review report of 12/2000. Changes include transferring several M&O general fund mechanic positions to SEF and providing SEF services to all departments at the locations where the former M&O mechanics were based. All DOT&PF vehicles that did not receive SEF preventive maintenance and repair will receive those services in FY2003.

As recommended by the consulting review, SEF is in process of issuing a RFP to upgrade or replace its existing equipment management system.

Increases in fuel prices and the usage of fuel credit cards require increased funding in this component to be able to provide payment to vendors.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 2,356.0 | 2,356.0 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 22.1 | 22.1 |
| Proposed budget increases: | | | | |
| -Increase HWCF to support increased usage of the fuel credit card system | 0.0 | 0.0 | 250.0 | 250.0 |
| FY2003 Governor | 0.0 | 0.0 | 2,628.1 | 2,628.1 |

State Equipment Fleet Administration

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 13 | 13 | Annual Salaries | 651,124 |
| Part-time | 0 | 0 | COLA | 14,852 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 237,560 |
| | | | Less 3.97% Vacancy Factor | (35,836) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 13 | 13 | Total Personal Services | 867,700 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|-----------|-----------|----------|----------|-----------|
| Accountant III | 1 | 0 | 0 | 0 | 1 |
| Accounting Tech II | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk I | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk III | 1 | 0 | 0 | 0 | 1 |
| Administrative Manager IV | 1 | 0 | 0 | 0 | 1 |
| Analyst/Programmer V | 1 | 0 | 0 | 0 | 1 |
| Equip Operations Analyst | 3 | 0 | 0 | 0 | 3 |
| Operations Res Anl I | 1 | 0 | 0 | 0 | 1 |
| Procurement Spec I | 1 | 0 | 0 | 0 | 1 |
| Procurement Spec II | 1 | 0 | 0 | 0 | 1 |
| Statewide Equipment Mgr | 1 | 0 | 0 | 0 | 1 |
| Totals | 13 | 0 | 0 | 0 | 13 |

Component: Regional Administrative Services

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Component Mission

The mission of this component is to support the department's operations with quality administration in the areas of finance, personnel and payroll.

Component Services Provided

This component funds the day to day operational support for the department in 85 locations throughout the state. It provides support in payroll, personnel, accounts payable, and revenue collection. Functions include, but are not limited to, calculation and payment of payroll, leave accrual and usage tracking and verification, processing of personnel action items, calculation and payment of travel costs, payment of utility, contractor and general vendor invoices, auditing of AMHS sales reports, preparation of the annual AMHS financial report, and processing encumbrances and payments against reimbursable service agreements (RSAs).

Component Goals and Strategies

Provide administrative support that results in the most efficient delivery of department services to the public

- Reduce department exposure to liability lawsuits and grievances by providing guidance to personnel at the regional level
- In consultation with Department of Administration, study payroll processes to provide greater efficiency and accuracy in payroll processing.
- Function as department advocate in performing several major classification studies.
- Bill, collect, and post landing fees for rural airports to assure uninterrupted air service to rural communities.
- Audit ferry terminal sales reports and collect credit card generated revenues.
- Prompt payment of vendor and contractor billings.
- Provide accounting information to department managers to assist them in efficient program operations.
- Work with federal counterparts to incorporate improvements allowing faster collections of federal reimbursements.
- Balance changes that reduce cost against the risks of errors.

Key Component Issues for FY2002 – 2003

The Division will continue to analyze services it provides in an effort to find the most efficient and effective methods of service delivery. Areas currently under review, or in initial stages of implementation include: streamlining of timesheet processing; improved financial monitoring of capital projects; improve the federal draw-down process; permit issuance and payment through the internet; and, implement a pilot project to pay contractors electronically.

Assistance to division managers continues to be difficult when facing increasing federal construction programs, increased reliance on contracted services, continually changing technology, and changing administrative rules for federal indirect cost participation.

Major Component Accomplishments in 2001

- Maintained invoice processing days below the state average throughout the year.
- Implemented efficiencies into the department's indirect cost allocation plan.
- Developed and implemented a database for estimating damages to state property.
- Reduced the percentage of accounts deemed non-collectable.
- Converted to electronic travel authorizations, using on line travel authorization forms and long term travel spreadsheets.
- Successfully tested electronic payments to contractors and other large vendors.

- Implemented new taxable travel compensation system in Central Region.
- Prepared materials for training employees on the technical travel and per diem rules.
- Established a Task Force that identified and implemented recommendations to improve closing Capital Improvement Projects.
- Received no audit findings from the Office of the Inspector General upon completion of their review of department accounting for the AIP funded through FAA.
- Achieved a 1.97% error rate in payroll processing.
- Assisted managers with 432 recruitment efforts.
- Processed 200 classification actions.
- Implemented a mass conversion of GGU leave from sick/annual to personal leave and the health trust conversion.

Statutory and Regulatory Authority

AS 44.42.010-900 State Government

AS 02 Aeronautics

AS 19 Highways and Ferries

AS 35 Public Building, Works and Improvements

Regional Administrative Services

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 3,302.4 | 3,327.9 | 3,480.7 |
| 72000 Travel | 8.9 | 5.8 | 5.8 |
| 73000 Contractual | 140.1 | 144.0 | 144.0 |
| 74000 Supplies | 78.7 | 71.9 | 71.9 |
| 75000 Equipment | 9.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 3,539.1 | 3,549.6 | 3,702.4 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 1,386.5 | 1,437.6 | 1,481.9 |
| 1005 General Fund/Program Receipts | 83.5 | 155.0 | 155.0 |
| 1007 Inter-Agency Receipts | 56.4 | 0.0 | 0.0 |
| 1026 Highway Working Capital Fund | 297.9 | 296.7 | 306.2 |
| 1027 International Airport Revenue Fund | 541.8 | 539.2 | 554.4 |
| 1053 Investment Loss Trust Fund | 29.0 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 227.6 | 231.0 | 288.7 |
| 1076 Marine Highway System Fund | 916.4 | 890.1 | 916.2 |
| Funding Totals | 3,539.1 | 3,549.6 | 3,702.4 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 209.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 209.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 56.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| General Fund Program Receipts | 51060 | 83.5 | 155.0 | 155.0 | 155.0 | 155.0 |
| Capital Improvement Project Receipts | 51200 | 227.6 | 231.0 | 231.0 | 288.7 | 288.7 |
| Restricted Total | | 367.5 | 386.0 | 386.0 | 443.7 | 443.7 |
| Total Estimated Revenues | | 577.2 | 386.0 | 386.0 | 443.7 | 443.7 |

Regional Administrative Services
Proposed Changes in Levels of Service for FY2003

NONE

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 1,592.6 | 0.0 | 1,957.0 | 3,549.6 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 44.3 | 0.0 | 59.2 | 103.5 |
| Proposed budget increases: | | | | |
| -Add ICAP to maintain regional services | 0.0 | 0.0 | 49.3 | 49.3 |
| FY2003 Governor | 1,636.9 | 0.0 | 2,065.5 | 3,702.4 |

Regional Administrative Services

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 67 | 67 | Annual Salaries | 2,493,655 |
| Part-time | 0 | 0 | COLA | 68,465 |
| Nonpermanent | 0 | 0 | Premium Pay | 46,879 |
| | | | Annual Benefits | 1,056,165 |
| | | | <i>Less 5.03% Vacancy Factor</i> | (184,464) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 67 | 67 | Total Personal Services | 3,480,700 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|-----------|----------|-----------|
| Accountant II | 0 | 1 | 1 | 0 | 2 |
| Accountant V | 0 | 0 | 1 | 0 | 1 |
| Accounting Clerk I | 1 | 1 | 3 | 0 | 5 |
| Accounting Clerk II | 3 | 3 | 4 | 0 | 10 |
| Accounting Spvr I | 2 | 0 | 1 | 0 | 3 |
| Accounting Spvr II | 1 | 0 | 1 | 0 | 2 |
| Accounting Tech I | 6 | 2 | 4 | 0 | 12 |
| Accounting Tech II | 4 | 2 | 3 | 0 | 9 |
| Accounting Tech III | 0 | 1 | 0 | 0 | 1 |
| Administrative Clerk I | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk II | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk III | 1 | 1 | 1 | 0 | 3 |
| Personnel Asst I | 1 | 2 | 5 | 0 | 8 |
| Personnel Asst II | 1 | 1 | 2 | 0 | 4 |
| Personnel Officer II | 1 | 1 | 0 | 0 | 2 |
| Personnel Specialist I | 1 | 1 | 1 | 0 | 3 |
| Totals | 22 | 16 | 29 | 0 | 67 |

Regional Support Services Budget Request Unit

Contact: Nancy J. Slagle, Director, Division of Administrative Services

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BRU Mission

The mission of the Regional Support Services BRU is to provide leadership and accountability of regional activities and to support regional operations with quality procurement, current information technology and budgetary services.

BRU Services Provided

- The Regional Director's offices provide management oversight of all functions of the organization and act as liaison between divisions and between the department and other agencies and the public.
- Provide management support and budget coordination to all operating divisions in each region, with additional support to regional staff of Headquarters and Statewide divisions and the International Airports.
- The Procurement Office is responsible for the purchase and delivery of supplies, equipment and services as well as property control.

BRU Goals and Strategies

Lead the development and maintenance of transportation systems that effectively move people and goods throughout each region.

- Develop consensus within the regional communities regarding transportation needs.
- Prioritize funding requests to optimize the use of public resources.

Continue reliable service with reduced general fund resources.

- Make use of technological changes to generate more efficient operations.
- Continually review operational organization and workflow for enhanced performance.
- Use competition between commodity suppliers to generate cost savings.

Provide effective administration, accurate budgeting, and efficient procurement.

- Provide point of contact for the general public, local government, other agencies, the Commissioner's Office and the Legislature concerning regional operations and policy.
- Support the functions of Maintenance and Operations, Design, Construction, Planning, Technology Transfer, and Research by accurate accounting, analysis and reporting of budget, expenditures and revenue.

Procure and deliver requested supplies, equipment, and services promptly and in accordance with purchasing laws and regulations by implementing automated Buyspeed purchasing system.

Key BRU Issues for FY2002 – 2003

- During this period of increasing federal programs and no comparable growth in support functions, increased technology is being aggressively pursued to enhance efficiency. Systems that rely on information can indeed benefit from technological solutions.
- The already significant deferred maintenance backlog will continue to grow unless a plan is implemented to curb the backlog.
- Increased costs and demands on the Alaska Marine Highway System require additional funding to maintain the level of service the public expects. A strategy for funding the AMHS is needed for long term planning.
- To make our procurement process more efficient employees will be able to request goods and services through an Intranet system. This will eliminate the double entry of requests and make for a more prompt and accountable system.
- The implementation of the SE Alaska Transportation Plan continues to be of paramount importance over the next several years as significant resources will be used to design and construct the infrastructure for improved movement of people and commodities throughout the region. Decisive management and articulate leadership are essential to successfully implement this plan.

Major BRU Accomplishments in 2001

- Implementation of SE Alaska Transportation Plan is on track. The plan encompasses construction of new roads, ferries, and terminals to enhance transportation in SE Alaska. As part of the plan, an RFP was developed for the first fast vehicle ferry in Alaska.
- Improved budgeting accuracy and efficiency utilizing the Alaska Budgeting System (ABS).
- The department is streamlining the procurement process so that goods and services continue to be provided efficiently and according to all state, federal and local guidelines despite reduced budgets. This has resulted in the department transitioning to more efficient computerized systems such as Procurement Cards at some initial cost and loss of productivity, for an ultimate increase in procurement efficiency.
- The final installation of the equipment for the data communication portion of the Vessel Communications Project was completed. This collaborative effort between headquarters and regional staff created the wireless bridge. The wireless bridge supports all types of computer communication such as e-mail, and financial information between administrative offices in Juneau and the AMHS vessels.
- Implementation of SE Alaska Transportation Plan continued which involves the construction of new roads, ferries, and terminals to enhance transportation in SE Alaska. As part of the plan, developed RFP for the first fast vehicle ferry in Alaska. Created newsletters and a web-site to assure public involvement in the continued implementation of the Plan.
- Completed comprehensive pricing and marketing study of Alaska Marine Highway System. This will serve as a guide to pricing and marketing decisions in the future.
- Implemented vessel communication project, which allows AMHS vessels to have e-mail capabilities and transfer data between ship and shore. This allows improvement in training, safety, financial and management systems aboard the vessels.
- Successfully completed Y2K remediation both on the AMHS vessels and in shoreside facilities. This involved the replacement of 80 computer workstations and upgraded software.

Key Performance Measures for FY2003

Measure:

How long it takes to process a purchase request before the order is placed.

Sec 142(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The Department converted to an automated purchasing program in January 2001. Information for this measure is incomplete and only represents estimated activity of small procurements under \$50,000. A full year of data will be available next year. Since January, Northern Region has identified an average of 2.91 days and Central Region has estimated an average of 7.66 days to process a purchase request. Southeast Region information is being reviewed.

Benchmark Comparisons:

There currently is no known benchmark established for government or private industry.

Background and Strategies:

The amount of time it takes to process a purchase order varies widely due to their complexity and required methods of procurement based on the dollar value of the items. The statutory factors that impact performance measures when procuring commodities and services for the State of Alaska include:

- "Reasonable and adequate" competition is required at \$5,000 or less. This involves contacting one or more vendors as appropriate under the circumstances.
- At least three verbal quotations are required between \$5,000 and \$25,000; however, there is clearly a preference to obtain written quotes for purposes of clarity and conformance to specifications.
- The written Request for Quotation (RFQ) process is required between \$25,000 and \$50,000. The RFQ includes issuance of the State's standard terms and conditions and written bid responses from vendors.
- The formal Invitation to Bid (ITB) process is required at \$50,000 and above which includes formulating specifications, advertising the State's requirements in at least 3 publications, allowing 21 days for bid circulation and a 10 day protest period prior to award of a contract.

Generally, procurement processing time increases with the monetary value and/or complexity of the particular item being purchased. Consequently, it is difficult to accurately measure and set performance standards with regard to procurement. Additionally, Alaska's geographic remoteness affects communication, approval processes, and delivery issues because of inclement weather conditions, vessels that are underway, and changing crews.

The Department procurement offices are collecting data using Buyspeed procurement software. The Department of Transportation established Buyspeed as the standard software for procurement for all regions. The data being collected will be evaluated and may be compared to other industry standards.

The implementation of Buyspeed allows for more efficient processing of stock requests and tracking subsequent purchases. The implementation of this system has reduced the amount of time it takes for a faxed or mailed copy of a requisition to be received. Additionally, duplicate data entry is eliminated which will further reduce the average number of days to issue a Purchase Order. Further efficiencies in processing stock request will be obtained with monitoring of problem orders and addressing individual issues. Refinements are being made to the system to break out timeframes for purchases at the various dollar levels and to develop appropriate tracking and reporting methods.

Regional Support Services
BRU Financial Summary by Component

All dollars in thousands

| | General Funds | FY2001 Actuals Federal Funds | Other Funds | Total Funds | General Funds | FY2002 Authorized Federal Funds | Other Funds | Total Funds | General Funds | FY2003 Governor Federal Funds | Other Funds | Total Funds |
|----------------------------|------------------|------------------------------------|----------------|----------------|------------------|---------------------------------------|----------------|----------------|------------------|-------------------------------------|----------------|----------------|
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| Central Support Svcs | 651.0 | 0.0 | 164.9 | 815.9 | 700.6 | 0.0 | 121.1 | 821.7 | 719.4 | 0.0 | 124.6 | 844.0 |
| Northern Support Services | 748.5 | 0.0 | 362.5 | 1,111.0 | 778.1 | 0.0 | 297.9 | 1,076.0 | 800.3 | 0.0 | 307.6 | 1,107.9 |
| Southeast Support Services | 377.2 | 0.0 | 1,724.0 | 2,101.2 | 436.0 | 0.0 | 1,705.5 | 2,141.5 | 449.8 | 0.0 | 1,747.3 | 2,197.1 |
| Totals | 1,776.7 | 0.0 | 2,251.4 | 4,028.1 | 1,914.7 | 0.0 | 2,124.5 | 4,039.2 | 1,969.5 | 0.0 | 2,179.5 | 4,149.0 |

Regional Support Services

Proposed Changes in Levels of Service for FY2003

None.

Regional Support Services

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 1,914.7 | 0.0 | 2,124.5 | 4,039.2 |
| Adjustments which will continue current level of service: | | | | |
| -Central Support Svcs | 18.8 | 0.0 | 3.5 | 22.3 |
| -Northern Support Services | 22.2 | 0.0 | 9.7 | 31.9 |
| -Southeast Support Services | 13.8 | 0.0 | 41.8 | 55.6 |
| FY2003 Governor | 1,969.5 | 0.0 | 2,179.5 | 4,149.0 |

Component: Central Region Support Services

Contact: John Tolley, Chief, Planning and Administrative Services

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Component Mission

The mission of the Central Region Support Services component is to provide leadership and accountability of all Central Region activities, and to support regional operations with quality procurement and budgetary services.

Component Services Provided

- Central Region Support Services provides administrative leadership, procurement, and budgetary support to all operating divisions in Central Region including Maintenance & Operations, Design and Engineering Services, Construction and CIP Support, and Planning. Additional support is provided to Headquarters units located in Anchorage that include Statewide Aviation, Statewide State Equipment Fleet, Measurement Standards and Commercial Vehicle Enforcement, Equal Employment and Civil Rights, as well as the International Airport System Office and Ted Stevens Anchorage International Airport components. Other offices receiving support are Internal Review, Engineering and Operation's Materials Section, and Information Systems.
- Directs all functions of the organization; provides focal point for coordination between divisions, with outside agencies, and general public.
- Provides technical support for operating budget preparation and management for 18 Central Region and Headquarters Units. Prepares component operating budget.
- Procures equipment, commodities, rentals, leases and service agreements to meet the needs and requirements of operational components. Deliver goods received and maintain inventory of state property.

Component Goals and Strategies

Provide overall leadership, administration, and accountability for Central Region.

- Act as focal point for the general public, local government, other agencies, the Legislature and Commissioner's Office concerning regional operations and policy.

Support the functions of Maintenance and Operations, Design and Engineering Services, Planning, Construction and CIP Support, Measurement Standards and Commercial Vehicle Enforcement, Equal Employment and Civil Rights, Statewide Aviation, Statewide State Equipment Fleet, and the Ted Stevens Anchorage International Airport.

- Provide accurate fiscal analysis and reporting of budget expenditures and revenue utilizing the Alaska Budget System.
- Procure and deliver requested supplies, equipment, and other services promptly and in accordance with state purchasing laws and regulations.

Key Component Issues for FY2002 – 2003

- Continue to streamline the procurement process so that goods and services continue to be provided efficiently and according to all state, federal and local guidelines despite reduced funding.
- Find ways to improve information gathering and dissemination process to enhance efficiency.
- Ongoing implementation of the department's Buyspeed purchasing program continues to inhibit the desired level of productivity. When all problems are resolved however, it will ultimately enhance procurement efficiency.
- During this period of increased federal programs and no comparable growth in support functions, the use of technology to enhance efficiency should be studied. Systems that rely on information can benefit from technological solutions.

Major Component Accomplishments in 2001

- Installed, activated and conducted in-house training for the Department's new Buyspeed Purchasing Program. The program is designed to streamline the procurement process by establishing and automating a procurement database, expanding reporting capabilities and enhancing management oversight.
- Implementation of the Alaska Budget System and Buyspeed has led to efficiencies in the reporting and dissemination of budget and procurement information.
- Implemented the Quality Financial Management Initiative Plan – Phase II to come into compliance with the guidelines set out on OMB Circular A-87.
- Provided training on Reimbursable Services Agreements (RSA) and continued to enforce RSA guidelines required by Office of Management and Budget.

Statutory and Regulatory Authority

- AS 02 Aeronautics
- AS 36 Public Contracts
- AS 37 Public Finance
- AS 44 State Government
- AAC17 Department of Transportation and Public Facilities

Central Region Support Services

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 711.7 | 745.7 | 768.0 |
| 72000 Travel | 9.3 | 3.1 | 3.1 |
| 73000 Contractual | 55.5 | 51.8 | 51.8 |
| 74000 Supplies | 38.1 | 21.1 | 21.1 |
| 75000 Equipment | 1.3 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 815.9 | 821.7 | 844.0 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 651.0 | 700.6 | 719.4 |
| 1007 Inter-Agency Receipts | 52.0 | 0.0 | 0.0 |
| 1026 Highway Working Capital Fund | 36.3 | 35.2 | 36.2 |
| 1027 International Airport Revenue Fund | 61.7 | 60.9 | 62.7 |
| 1061 Capital Improvement Project Receipts | 14.9 | 25.0 | 25.7 |
| Funding Totals | 815.9 | 821.7 | 844.0 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 52.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital Improvement Project Receipts | 51200 | 14.9 | 25.0 | 25.0 | 25.7 | 25.7 |
| Restricted Total | | 66.9 | 25.0 | 25.0 | 25.7 | 25.7 |
| Total Estimated Revenues | | 66.9 | 25.0 | 25.0 | 25.7 | 25.7 |

Central Region Support Services**Proposed Changes in Levels of Service for FY2003**

Service Changes are not anticipated for FY2003.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 700.6 | 0.0 | 121.1 | 821.7 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 18.8 | 0.0 | 3.5 | 22.3 |
| FY2003 Governor | 719.4 | 0.0 | 124.6 | 844.0 |

Central Region Support Services

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 13 | 13 | Annual Salaries | 557,219 |
| Part-time | 2 | 2 | COLA | 15,256 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 217,734 |
| | | | <i>Less 2.81% Vacancy Factor</i> | (22,209) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 15 | 15 | Total Personal Services | 768,000 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|----------|----------|-----------|
| Accounting Tech II | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk II | 3 | 0 | 0 | 0 | 3 |
| Administrative Clerk III | 1 | 0 | 0 | 0 | 1 |
| Asst Commissioner | 1 | 0 | 0 | 0 | 1 |
| Procurement Spec I | 1 | 0 | 0 | 0 | 1 |
| Procurement Spec II | 1 | 0 | 0 | 0 | 1 |
| Procurement Spec IV | 1 | 0 | 0 | 0 | 1 |
| Program Budget AnalystIII | 1 | 0 | 0 | 0 | 1 |
| Secretary | 1 | 0 | 0 | 0 | 1 |
| Stock & Parts Svcs Sub Journey | 2 | 0 | 0 | 0 | 2 |
| Supply Technician II | 2 | 0 | 0 | 0 | 2 |
| Totals | 15 | 0 | 0 | 0 | 15 |

Component: Northern Region Support Services

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Component Mission

The mission of the Northern Region Support Services component is to support the Northern Region's operations with quality administration, efficient procurement, and current information technology.

Component Services Provided

- Regional Support / Administration and Budget provides management support and budget coordination to all operating divisions of Northern Region, with additional support to regional staff of Headquarters and Statewide divisions and the Fairbanks International Airport.
- The Regional Director's office provides management oversight of all functions of the organization and acts as liaison between divisions and between the department and other agencies and the public.
- The Procurement office is responsible for the purchase and delivery of supplies, equipment and services as well as property control.

Component Goals and Strategies

Lead the development and maintenance of transportation systems that effectively move people and goods throughout the region.

- Develop consensus within the communities of Northern and Interior Alaska regarding transportation needs.
- Prioritize funding requests to optimize the use of public resources.
- Continue reliable service with reduced general fund resources.
- Make use of technological changes to generate more efficient operations.
- Continually review operational organization and workflow for enhanced performance.
- Use competition between commodity suppliers to generate cost savings.
- Provide effective administration, accurate budgeting, and efficient procurement.
- Provide point of contact for the general public, local government, other agencies, the Commissioner's Office and the Legislature concerning regional operations and policy.
- Support the functions of Maintenance and Operations, Design, Construction, Planning, Technology Transfer, and Research by accurate accounting, analysis and reporting of budget, expenditures and revenue.
- Procure and deliver requested supplies, equipment, and services promptly and in accordance with purchasing laws and regulations by enhancing Buyspeed purchasing system.

Key Component Issues for FY2002 – 2003

- Streamline procurement process so that goods and services continue to be provided efficiently and according to all state, federal and local guidelines despite reduced funding.
- Improve information gathering and dissemination process to enhance efficiency by providing read only access of the Buyspeed System to end users.
- Transition Buyspeed at some initial cost and loss of productivity to allow end users to submit purchase requests through a Web Requisitioning program for an ultimate increase in procurement efficiency.

Major Component Accomplishments in 2001

- Installed, activated, and provided training for Buyspeed Purchasing System to streamline the procurement process and expand on our reporting capabilities and to enhance our efficiency without loss of oversight.

- Provided state accounting system GENEVA and AKSAS training courses to department and other agency employees.
- Ensured full regional participation in and commitment to the Commissioner's program to improve the department's management performance through University courses directed toward First Line Supervisors.

Statutory and Regulatory Authority

AS 35 Public Bldg & Imp
AS 36 Public Contracts
AS 39 Public Off & Emp
AAC Title 17
AAC Title 12

Northern Region Support Services

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 903.9 | 953.2 | 985.1 |
| 72000 Travel | 5.2 | 13.0 | 13.0 |
| 73000 Contractual | 119.5 | 90.1 | 90.1 |
| 74000 Supplies | 44.7 | 19.7 | 19.7 |
| 75000 Equipment | 37.7 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,111.0 | 1,076.0 | 1,107.9 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 748.5 | 778.1 | 800.3 |
| 1007 Inter-Agency Receipts | 70.2 | 3.7 | 3.8 |
| 1026 Highway Working Capital Fund | 142.2 | 141.3 | 145.4 |
| 1027 International Airport Revenue Fund | 91.3 | 90.6 | 94.5 |
| 1061 Capital Improvement Project Receipts | 58.8 | 62.3 | 63.9 |
| Funding Totals | 1,111.0 | 1,076.0 | 1,107.9 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 70.2 | 3.7 | 9.0 | 3.8 | 10.0 |
| Capital Improvement Project Receipts | 51200 | 58.8 | 62.3 | 62.3 | 63.9 | 63.9 |
| Restricted Total | | 129.0 | 66.0 | 71.3 | 67.7 | 73.9 |
| Total Estimated Revenues | | 129.5 | 66.0 | 71.3 | 67.7 | 73.9 |

Northern Region Support Services

Proposed Changes in Levels of Service for FY2003

Service levels will remain unchanged.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 778.1 | 0.0 | 297.9 | 1,076.0 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 22.2 | 0.0 | 9.7 | 31.9 |
| FY2003 Governor | 800.3 | 0.0 | 307.6 | 1,107.9 |

Northern Region Support Services

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 15 | 15 | Annual Salaries | 700,795 |
| Part-time | 0 | 2 | COLA | 20,678 |
| Nonpermanent | 0 | 0 | Premium Pay | 16,744 |
| | | | Annual Benefits | 271,146 |
| | | | Less 2.40% Vacancy Factor | (24,263) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 15 | 17 | Total Personal Services | 985,100 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Assistant | 0 | 1 | 0 | 0 | 1 |
| Administrative Clerk II | 0 | 1 | 0 | 0 | 1 |
| Administrative Manager I | 0 | 1 | 0 | 0 | 1 |
| Asst Commissioner | 0 | 1 | 0 | 0 | 1 |
| Procurement Spec I | 0 | 1 | 0 | 0 | 1 |
| Procurement Spec II | 0 | 1 | 0 | 0 | 1 |
| Procurement Spec IV | 0 | 1 | 0 | 0 | 1 |
| Program Budget AnalystIII | 0 | 1 | 0 | 0 | 1 |
| Secretary | 0 | 1 | 0 | 0 | 1 |
| Stock & Parts Svcs Journey I | 0 | 1 | 0 | 0 | 1 |
| Stock & Parts Svcs Lead | 0 | 0 | 0 | 2 | 2 |
| Stock & Parts Svcs Sub Journey | 0 | 2 | 0 | 1 | 3 |
| Supply Technician II | 0 | 2 | 0 | 0 | 2 |
| Totals | 0 | 14 | 0 | 3 | 17 |

Component: Southeast Region Support Services

Contact: Gary Cuscia, Administrative Manager

Tel: (907) 465-3954 **Fax:** (907) 465-2024 **E-mail:** Gary_Cuscia@dot.state.ak.us

Component Mission

The mission of the Southeast Region Support Services component is to provide leadership and accountability of all Southeast Region activities, and to support regional operations with quality procurement and budgetary services.

Component Services Provided

The Office of the Regional Director provides overall policy direction and management leadership to the over 1,000 employees in the region. The Regional Director also provides the conduit for local communities and individuals to have input on various transportation issues.

The region's annual operating budget totaling nearly \$100.0 million is prepared in this unit. The budget process is coordinated with direction from the Office of Management and Budget. Inquiries from the legislature, administration, and the public are researched and responded to through this office. Status reports are prepared to provide financial information and guidance to management.

The Capital Improvement Project Control unit maintains the status of the region's capital improvement projects. Federal and state regulations require detailed reports and procedures for tracking and reporting on capital projects. Status books are prepared to provide necessary information to regional and federal project staff.

The Procurement unit purchases and distributes all office supplies, computers, construction materials, maintenance supplies, and non-construction contracts for the SE region and DOT&PF headquarters. Two warehouses are stocked and maintained to provide rapid access to materials needed for the maintenance and operation of highways, harbors, airports, buildings, and AMHS ferries. Mailroom services are provided at three separate buildings.

The Computer Services unit provides complete information technology support to a variety of Southeast Region staff. Computer Services is the primary contact for the design, implementation, and support of computer information systems; the employee computer workstations and the computer network infrastructure that ties all of the information technology together. Systems supported include the system-wide reservations system, centralized file transfer and storage, and the wireless bridge network system, which allows the AMHS fleet to participate in the State of Alaska computer network.

The Management Information unit gathers and analyzes data on AMHS ferry traffic, revenue, operating costs, performance measures, and other statistics. The production of several reports, which summarize data, is completed here.

Component Goals and Strategies

Lead the development and maintenance of transportation systems that effectively move people and goods throughout the region.

- Direct the implementation of the SE Alaska Transportation Plan.
- Develop consensus among the citizens of SE Alaska regarding transportation needs.
- Prioritize funding requests to optimize the use of public resources.

Improve reliable service with current resources.

- Make use of technological changes to generate more efficient operations.
- Continually review operational organization and workflow for enhanced performance.
- Use competition between commodity suppliers to generate cost savings.

Provide effective administration, accurate budgeting, and efficient procurement.

- Provide point of contact for the general public, local government, other agencies, the Commissioner's Office and the Legislature concerning regional operations and policy.

- Support the functions of Maintenance and Operations, Design, Construction, Planning, Technology Transfer, and Research by accurate accounting, analysis and reporting of budget, expenditures and revenue.
- Procure and deliver requested supplies, equipment, and services promptly and in accordance with purchasing laws and regulations by use of the automated Buyspeed purchasing system.

Key Component Issues for FY2002 – 2003

- The implementation of the SE Alaska Transportation Plan continues to be of paramount importance over the next several years as significant resources will be used to design and construct the infrastructure for improved movement of people and commodities throughout the region. Decisive management and articulate leadership are essential to successfully implement this plan.
- The already significant deferred maintenance backlog will continue to grow unless a plan is implemented to curb the backlog. Increased costs and demands on the Alaska Marine Highway System require additional funding to maintain the level of service the public expects.
- During this period of increasing federal programs and no comparable growth in support functions, increased technology is being aggressively pursued to enhance efficiency. Systems that rely on information can indeed benefit from technological solutions.
- Ferry reservations will be made easier and more convenient during the coming year with the implementation of our Internet reservations project. Once implemented, it will be possible for the public to make and pay for ferry reservations over the Internet.

Major Component Accomplishments in 2001

Implementation of the SE Alaska Transportation Plan is on track. The plan encompasses construction of new roads, ferries, and terminals to enhance transportation in SE Alaska. As part of the plan, an RFP was developed for the first fast vehicle ferry in Alaska. Significant progress was made on the Ketchikan transfer facility and the Sitka terminal. Additionally, strategic planning has occurred with the Intelligent Transportation System (ITS) and the South Mitkof Terminal. Newsletters and a web-site to assure public involvement in the continued implementation of the Plan were created.

The final installation of the equipment for the data communication portion of the Vessel Communications Project was completed. This collaborative effort between headquarters and regional staff created the wireless bridge. The wireless bridge supports all types of computer communication such as e-mail, and financial information between administrative offices in Juneau and the AMHS vessels.

Statutory and Regulatory Authority

AS 19
AS 44

Southeast Region Support Services

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,772.1 | 1,812.4 | 1,868.0 |
| 72000 Travel | 19.5 | 15.0 | 15.0 |
| 73000 Contractual | 237.8 | 261.1 | 261.1 |
| 74000 Supplies | 71.8 | 53.0 | 53.0 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 2,101.2 | 2,141.5 | 2,197.1 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 377.2 | 436.0 | 449.8 |
| 1007 Inter-Agency Receipts | 32.0 | 0.0 | 0.0 |
| 1026 Highway Working Capital Fund | 47.9 | 47.9 | 49.6 |
| 1061 Capital Improvement Project Receipts | 273.5 | 297.5 | 305.7 |
| 1076 Marine Highway System Fund | 1,370.6 | 1,360.1 | 1,392.0 |
| Funding Totals | 2,101.2 | 2,141.5 | 2,197.1 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 32.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital Improvement Project Receipts | 51200 | 273.5 | 297.5 | 297.5 | 305.7 | 305.7 |
| Restricted Total | | 305.5 | 297.5 | 297.5 | 305.7 | 305.7 |
| Total Estimated Revenues | | 305.5 | 297.5 | 297.5 | 305.7 | 305.7 |

Southeast Region Support Services**Proposed Changes in Levels of Service for FY2003**

No service level changes are planned for the FY03 budget.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 436.0 | 0.0 | 1,705.5 | 2,141.5 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 13.8 | 0.0 | 41.8 | 55.6 |
| FY2003 Governor | 449.8 | 0.0 | 1,747.3 | 2,197.1 |

Southeast Region Support Services

Personal Services Information

| Authorized Positions | | Personal Services Costs | |
|----------------------|-------------------|-------------------------|--|
| | <u>FY2002</u> | <u>FY2003</u> | |
| | <u>Authorized</u> | <u>Governor</u> | |
| Full-time | 30 | 30 | Annual Salaries 1,395,430 |
| Part-time | 1 | 1 | COLA 37,223 |
| Nonpermanent | 0 | 0 | Premium Pay 2,786 |
| | | | Annual Benefits 529,832 |
| | | | Less 4.95% Vacancy Factor (97,271) |
| | | | Lump Sum Premium Pay 0 |
| Totals | 31 | 31 | Total Personal Services 1,868,000 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|-----------|----------|-----------|
| Accounting Tech II | 0 | 0 | 1 | 0 | 1 |
| Accounting Tech III | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk I | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk III | 0 | 0 | 2 | 0 | 2 |
| Administrative Manager IV | 0 | 0 | 1 | 0 | 1 |
| Analyst/Programmer IV | 0 | 0 | 2 | 0 | 2 |
| Asst Commissioner | 0 | 0 | 1 | 0 | 1 |
| Mail Svcs Courier | 0 | 0 | 1 | 0 | 1 |
| Micro/Network Spec I | 0 | 0 | 2 | 0 | 2 |
| Micro/Network Spec II | 0 | 0 | 1 | 0 | 1 |
| Procurement Spec I | 0 | 0 | 4 | 0 | 4 |
| Procurement Spec III | 0 | 0 | 2 | 0 | 2 |
| Procurement Spec V | 0 | 0 | 1 | 0 | 1 |
| Program Budget AnalystIII | 0 | 0 | 2 | 0 | 2 |
| Research Analyst II | 0 | 0 | 1 | 0 | 1 |
| Secretary | 0 | 0 | 1 | 0 | 1 |
| Stock & Parts Svcs Lead | 0 | 0 | 2 | 0 | 2 |
| Stock & Parts Svcs Sub Journey | 0 | 0 | 2 | 0 | 2 |
| Supply Technician II | 0 | 0 | 2 | 0 | 2 |
| Trans Planner I | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 31 | 0 | 31 |

BRU/Component: Statewide Aviation

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Contact: Paul Bowers, AAE, Director

Tel: (907) 269-0724 **Fax:** (907) 269-0489 **E-mail:** Paul_Bowers@dot.state.ak.us

Component Mission

The mission of Statewide Aviation Division (SWA) is to improve and maintain the Department of Transportation & Public Facilities (DOT&PF) operated airports by providing and/or assisting in coordination of safety, security, leasing, government regulations, and operational responsibilities between the DOT&PF, the Federal Aviation Administration (FAA), and rural airport system users.

Component Services Provided

- Coordinate Airport Project Evaluation Board (APEB) process for ensuring that highest priority capital improvement needs at 261 rural state airports are identified, priorities are established and maximum Federal Airport Improvement Program funding is secured to meet the state's rural aviation safety and capacity needs.
- Advocate aviation safety improvements and regulations are made in a cost efficient manner.
- Serve as the state's primary contact with the FAA regarding aviation regulatory and policy issues affecting Alaska.
- Serve as the state's primary contact with airlines, aviation user groups and aviation organizations that seek to influence national and state aviation policy and legislation.
- Implement airport leasing regulations (Title 17) to ensure legislative changes are incorporated and the concerns of airport users are considered so that fair, reasonable and consistent standards are applied throughout the state airport system.

Provide comments to FAA on proposed regulations affecting aviation in Alaska.

Component Goals and Strategies

Improve safety and security of the State's aviation system by:

- Minimizing the cost of federal regulation of the state system and its users (working toward cost efficiency in regulatory application).
- Coordinating management of state airports in an efficient, fair, reasonable and consistent manner for user benefit.
- Achieving increased legislative authority matching increased capital programs (coordinating regional interests / changing project status with APEB prioritized project lists and FAA AIP funding availability).
- Finishing ongoing rural airport regulations, Title 17 (International regulation are adopted; rural airport regulations are still undergoing contract attorney, Department of Law, and Leasing staff review. Implementation after adoption will also require a significant coordination effort, as well as revision of multiple state forms needed to implement regulations, coordination with affected users to put into effect)
- Supporting implementation of urgent security changes to buttress public air travel confidence. National FAA Emergency Amendments are frequently changing - weekly, even daily since September 11. Coordination/implementation is ongoing. Revisions to Airport Improvement Program (AIP) state spending plan to accommodate security priorities are also ongoing. Reaching a balance between competing security needs with ongoing airport infrastructure improvement needs and coordinating this balance is essential. Helping develop a post-National Guard security presence (after the initial planned 4-6 month deployment) will also be needed.

Key Component Issues for FY2002 – 2003

Inadequate runway infrastructure (width, length, surface condition, lighting) has been cited as contributing to aircraft incidents and accidents. Infrastructure improvements will improve safety. Virtually all infrastructure improvements are AIP funded. The Department will continue to work to eliminate infrastructure deficiencies by advocating at both the state and federal level for additional funding. Securing the Legislative Authorization for dramatically increased Airport Improvement Program (AIP) national funding is also critical. Capital spending plans will need to be matched against changing security needs.

An important aspect of this office is to coordinate airport infrastructure development and provide advice on continued critical airport safety measures statewide. This includes providing specific lighting, aircraft use projection, navaid, communication and weather reporting requirements input to planners. Much of latter requires close coordination with FAA, both AIP funding wise, as well as FAA -internal capital spending and budget planning.

The airports are facing major security challenges resulting from terrorist attacks on September 11, 2001. This office will be involved in coordinating long term planning and funding, including working with multiple new FAA security directives and new FAA security personnel and positions.

This office will help coordinate the implementation of the new Title 17 international airport regulations promulgated in January 2001. Title 17 rural airport regulations need to be finalized and the implementation coordinated which will include development of multiple forms and an implementation strategy. The regulations are to deal with lease rate increases indicated by 1996 and 1999 market studies.

Major Component Accomplishments in 2001

- Programmed \$126.1 million AIP funding which is an increase of 67% from \$74.1 million in FY00.
- Incorporated new regulations (Title 17) into operation of international airports providing fair, reasonable, and consistent application of standards.
- Formulated and communicated state policy and actions of regulation impact on the state.
- Provided comments and advocated on Essential Air Service and US Postal Service regulations.

Statutory and Regulatory Authority

- AS 02 Aeronautics
- AS 19 Highways
- As 44 State Government
- ACC 17 DOT&PF
- Federal Highway Program Manual
- Executive Order 39
- Title 14 CFR
- Title 23 CFR
- Title 25 CFR, BIA

Statewide Aviation

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 557.6 | 580.9 | 596.5 |
| 72000 Travel | 18.9 | 21.3 | 21.3 |
| 73000 Contractual | 77.4 | 69.7 | 69.7 |
| 74000 Supplies | 4.3 | 5.7 | 5.7 |
| 75000 Equipment | 3.1 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 661.3 | 677.6 | 693.2 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 191.2 | 195.8 | 206.2 |
| 1005 General Fund/Program Receipts | 246.8 | 255.8 | 255.8 |
| 1027 International Airport Revenue Fund | 16.1 | 16.2 | 16.6 |
| 1053 Investment Loss Trust Fund | 9.5 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 197.7 | 209.8 | 214.6 |
| Funding Totals | 661.3 | 677.6 | 693.2 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| General Fund Program Receipts | 51060 | 246.8 | 255.8 | 255.8 | 255.8 | 255.8 |
| Capital Improvement Project Receipts | 51200 | 197.7 | 209.8 | 209.8 | 214.6 | 214.6 |
| Restricted Total | | 444.5 | 465.6 | 465.6 | 470.4 | 470.4 |
| Total Estimated Revenues | | 444.5 | 465.6 | 465.6 | 470.4 | 470.4 |

Statewide Aviation

Proposed Changes in Levels of Service for FY2003

No changes in level of service are anticipated for FY2003. However, airport security requirements resulting from September 11th, 2001 terrorist acts will result in reprioritized infrastructure investments, resource allocations, and manpower utilization.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 451.6 | 0.0 | 226.0 | 677.6 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 10.4 | 0.0 | 5.2 | 15.6 |
| FY2003 Governor | 462.0 | 0.0 | 231.2 | 693.2 |

Statewide Aviation

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 7 | 7 | Annual Salaries | 442,851 |
| Part-time | 0 | 0 | COLA | 11,314 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 152,132 |
| | | | <i>Less 1.62% Vacancy Factor</i> | (9,797) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 7 | 7 | Total Personal Services | 596,500 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|----------|----------|----------|
| Division Director | 1 | 0 | 0 | 0 | 1 |
| Leasing Officer I | 1 | 0 | 0 | 0 | 1 |
| Leasing Officer IV | 1 | 0 | 0 | 0 | 1 |
| Planner III | 1 | 0 | 0 | 0 | 1 |
| Regnl Saf&Arpt Sec Off | 1 | 0 | 0 | 0 | 1 |
| Secretary | 1 | 0 | 0 | 0 | 1 |
| Tech Eng I / Architect I | 1 | 0 | 0 | 0 | 1 |
| Totals | 7 | 0 | 0 | 0 | 7 |

Planning Budget Request Unit

Contact: Tom Brigham, Director

Tel: (907) 465-6978 **Fax:** (907) 465-6984 **E-mail:** Tom_Brigham@dot.state.ak.us

BRU Mission

The mission of Planning is to optimize state investment in transportation and meet federal requirements through effective planning and programming.

BRU Services Provided

- Develop area-specific transportation plans to guide transportation infrastructure development over the next 20 years.
- Coordinate the development, submission, and monitoring of the Needs List, and the federally required Statewide Transportation Improvement Program, as well as the annual capital budget. Provides key analyses to the Commissioner on critical issues regarding capital funding for Alaska's transportation and public facility needs.
- Verify enplanement data used to determine the State's allocation of Federal Aviation Administration (FAA) funding, prepare airport master plans, and annually prepare the program for aviation improvements.
- Provide federally required highway data collection and analysis to state, federal and local agencies.
- Provide Geographic Information System (GIS) and Global Positioning System (GPS) data collection and analysis, as well as cartographic and other technical services. The result will be more accessible transportation data that can be displayed in easy-to-understand ways.
- Develop and maintain the Statewide Transportation Plan, Public Involvement Plan, and Federal Transit Program.
- Provide administration of Scenic Byways Program, Federal Railroad Administration grants. Provide support to the TRAAK Program. Develop and maintain Bicycle and Pedestrian Plan.
- Provide administration of Urban Planning, and State Planning and Research Program, as well as general accounting and administrative support.
- Develop and administer the State Highway Safety Program.

BRU Goals and Strategies

Maintain cooperative planning processes with local governments, state and federal agencies, and within DOT&PF.

- Provide the legislature, local governments, other agencies and private citizens with a central point of contact to facilitate the exchange of planning and capital project related information with the department
- Coordinate access to the DOT&PF decision-making process with these groups;

Meet requirements of the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) and maximize the state's capture of federal funds each year.

- Collect traffic and highway inventory data.
- Coordinate transportation information and planning with local governments.
- Implement public involvement procedures.
- Develop the Statewide Transportation Plan (SwTP).
- Develop the Statewide Transportation Improvement Program (STIP).

Meet requirements of the Federal Aviation Administration (FAA) that make Alaska eligible to receive over \$50 million annually for airport development in Alaska.

- Verify enplanement data used to determine the State's allocation of FAA funding.
- Prepare airport master plans.

- Annually prepare the aviation improvements program.

Provide effective transportation and public facilities construction and maintenance programs.

- Prepare a capital improvement program to address improvement needs for roadways, ports and harbors, erosion control, pathways, barrier-free access, marine highway system, and other public facilities.

Promote saving lives and reducing motor vehicle injuries on the Alaska highway network.

- Produce annual highway safety plan and annual report.
- Promote statewide outreach and education programs.
- Promote new safety technology.

Integrate public health strategies into community safety programs.

Key BRU Issues for FY2002 – 2003

Passage of the 1991 and 1998 Federal Transportation Bills, Federal Transportation Equity Act for the 21st Century (TEA21), expanded the requirements to inform and involve the public in development of transportation plans and programs. As a result, the statewide and regional planning staff institute a greatly expanded public involvement program that includes holding multiple meetings throughout the region and other communications with local government and the general public. Planning staff then evaluate and rank all projects to identify the highest priority projects that are to compete statewide for federal highway funding. The new Federal Transportation legislation is expected to continue to significantly increase federal funding for transportation in Alaska.

The Federal Aviation Administration has instituted a process called the Airport Capital Improvement Program which is designed to distribute Airport Improvement Program funds based upon priority and need. As part of the process, the regional planning staff must prepare a five-year aviation capital improvement program for each airport including the identification of planning, environmental, land and development needs. This activity requires the regional planning staff to conduct joint planning conferences at various airports throughout the region.

The Division of Statewide Planning will be completing work on three long range transportation plans for Southwest Alaska, the Yukon-Kuskokwim Delta area, and the Northwest Area Plan. These plans develop the 20-year transportation investment strategies for road, ferry, rail and air modes utilizing extensive local public involvement.

The Alaska Highway Safety Office identified major driver behavioral problem areas as the following categories: high-risk youth and young drivers; major urban areas with communities that have become recreational destinations; and the Municipality of Anchorage traffic congestion. Lack of child car seat and seatbelt usage continues to be an issue.

Major BRU Accomplishments in 2001

- Prepared update to the Statewide Transportation Long Range Plan 20 year horizon
- Prepared multiyear, federally required, Statewide Transportation Improvement Program
- Completed the development of the Prince William Sound/Copper River Area Plan
- Completed drafts of regional transportation plans for Yukon-Kuskokwim Delta and Southwest Alaska
- Developed Department Geographic Information System
- Received a Partnering for Excellence Award from US Department of Transportation for the Whittier Task Force
- Increased seatbelt usage and traffic enforcement statewide through safety education programs
- Initiated the process of putting Statewide Transportation Long Range Plan and the Statewide Transportation Improvement Program into regulation

Key Performance Measures for FY2003

Measure:

The number and dollar value of projects that are constructed as a percentage of the value of projects in the needs list and the number proposed.

Sec 143(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Regularly around \$500 million is constructed or 6.6% of an approximate \$7.5 billion needs list. The target is to increase the percentage of the needs list constructed.

In addition to the Federal-Aid program allocation, we requested and received an additional \$80 million in Federal Highway funds in federal fiscal year 2001. \$50 million to construct an interchange at the Glen Highway and Parks Highway intersection and \$30 million for bridge and roadway upgrades on the Dalton Highway.

Benchmark Comparisons:

No other State relies as heavily on federal funds to meet transportation needs within the state.

Background and Strategies:

This is a measure of Alaska's ability to satisfy transportation needs as defined by the state, borough, and local communities. Improvement of our ability to construct a larger fraction of the current need will be dependent upon identification of additional state or federal transportation funding. The Department will continue to apply for extra discretionary funding from the federal government and the Alaska congressional delegation. Along with updating the needs list on an ongoing basis, this is the only strategy available to the Department at this time.

Measure:

The percentage of required federal planning, programming, and data collection tasks completed and accepted by the United States Department of Transportation on a federal fiscal year basis.

Sec 143(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The Department is in compliance and has no record of ever causing the state to lose federal funds due to a failure to meet planning, programming or other transportation data collection requirements. The target is to remain in compliance.

Benchmark Comparisons:

All state Departments of Transportation using Federal Highway funds must fulfill planning, programming and data collection requirements or risk losing these vital transportation funds.

Background and Strategies:

Statewide Planning annually reports a wide variety of condition and performance data about the public road network in Alaska to the US DOT. These federally mandated and funded efforts identify such data as length of the highway network by functional class, ownership, lane count, pavement type, servicability and roughness. Traffic volumes are reported as daily traffic count, annual traffic count, and further categorized by 13 different vehicle classifications. The Division also reports accidents by type, fatalities, minor or major injury, location and contributing factors. Geographic coordinates of the highway system are reported for national mapping purposes. They also report such information as quantity and source of all public monies used in maintaining, reconstructing or constructing public highways.

Measure:

The number of motor vehicle crashes during the fiscal year at which serious injury or fatality occurred.

Sec 143(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The Alaska Highway Safety Office is charged with reducing injuries and saving lives on Alaska's highways. In 1999, there were 79 fatal motor vehicle crashes in the state. That figure rose to 103 in 2000. The increase is partially due to a greater number of passengers in each vehicle. Serious injuries aren't measurable at this time due to the lack of data.

Benchmark Comparisons:

1.6 is the national average for fatal accidents per 100 million miles traveled in the year 2000. Alaska's average is higher at 2.2.

Fatality rate per 100 million miles traveled

| Year | National Average | Alaska |
|------|------------------|--------|
| 2000 | 1.6 | 2.2 |
| 1999 | 1.6 | 1.7 |
| 1998 | 1.6 | 1.6 |
| 1997 | 1.6 | 1.8 |
| 1996 | 1.7 | 2.0 |
| 1995 | 1.8 | 2.1 |
| 1994 | 1.7 | 2.0 |

Background and Strategies:

The Alaska Highway Safety Office coordinates highway safety programming focused on public outreach and education; enforcement; promotion of new safety technology; integration of public health strategies; collaboration with safety and private sector organizations; and cooperation with state and local governments.

Historically, the most frequently cited behavioral contributors to fatal and serious injury crashes in Alaska are impaired driving, unsafe speed, and failure to heed traffic control devices. In 1998 this trend was continued with the occurrence of 71 fatal and 346 serious injury crashes. In order to reduce these numbers, the agency approaches the issue through statewide outreach programs and federally funded highway safety grant projects. Motor vehicle laws which contribute to reducing the number of serious injury or fatal motor vehicle crashes in Alaska, such as blood alcohol content, and the number of troopers employed to enforce these laws are beyond the control of this program.

Measure:

The percentage of airports that have a Federal Aviation Administration approved airport layout plan.
Sec 150(b)(7) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Northern Region has 90% of their airport layout plans approved (93 of 104). Central Region has 72% of their airport layout plans approved (79 of 109). Southeast Region has airport layout plans for all their airports. The target is 100% in 12 years. Prior reporting included airports that were not within regional boundaries and local sponsor airports that are not DOT&PF maintained.

| Region | Total Airports with ALP | Needed to Reach 100% |
|-----------|--------------------------|----------------------|
| Northern | 93 of 104 airports | 11 Airports |
| Central | 79 of 109 airports | 30 Airports |
| Southeast | All airports have an ALP | 100% Complete |

Benchmark Comparisons:

None that is known.

Background and Strategies:

Airport layout plans (ALPs) are the drawings that depict existing conditions and the ultimate development that is planned at an airport; they are a graphic equivalent of the master plan. As such, ALPs also require regular updates, and we endeavor to bring them up to date as needed to reflect changes in existing conditions. We do so by raising

the issue of ALP status at our semiannual Aviation Project Evaluation Board meetings with reminders of target goals and requests for compliance accordingly. Updated ALPs are required for AIP grants and grant closeouts.

Planning

BRU Financial Summary by Component

All dollars in thousands

| | General Funds | FY2001 Actuals Federal Funds | Other Funds | Total Funds | General Funds | FY2002 Authorized Federal Funds | Other Funds | Total Funds | General Funds | FY2003 Governor Federal Funds | Other Funds | Total Funds |
|----------------------------|------------------|------------------------------------|----------------|----------------|------------------|---------------------------------------|----------------|----------------|------------------|-------------------------------------|----------------|----------------|
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| Statewide | 105.8 | 0.0 | 2,618.9 | 2,724.7 | 105.4 | 0.0 | 2,740.7 | 2,846.1 | 107.2 | 0.0 | 2,813.9 | 2,921.1 |
| Planning | | | | | | | | | | | | |
| Central Region | 128.0 | 0.0 | 1,060.1 | 1,188.1 | 128.7 | 0.0 | 1,077.0 | 1,205.7 | 130.5 | 0.0 | 1,194.0 | 1,324.5 |
| Planning | | | | | | | | | | | | |
| Northern | 86.7 | 0.0 | 893.9 | 980.6 | 86.9 | 0.0 | 1,126.5 | 1,213.4 | 87.3 | 0.0 | 1,231.3 | 1,318.6 |
| Region | | | | | | | | | | | | |
| Planning | | | | | | | | | | | | |
| Southeast | 21.7 | 0.0 | 600.1 | 621.8 | 21.7 | 0.0 | 604.1 | 625.8 | 21.7 | 0.0 | 621.1 | 642.8 |
| Region | | | | | | | | | | | | |
| Planning | | | | | | | | | | | | |
| Totals | 342.2 | 0.0 | 5,173.0 | 5,515.2 | 342.7 | 0.0 | 5,548.3 | 5,891.0 | 346.7 | 0.0 | 5,860.3 | 6,207.0 |

Planning

Proposed Changes in Levels of Service for FY2003

None

Planning

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 342.7 | 0.0 | 5,548.3 | 5,891.0 |
| Adjustments which will continue current level of service: | | | | |
| -Statewide Planning | 1.8 | 0.0 | 73.2 | 75.0 |
| -Central Region Planning | 1.8 | 0.0 | 30.2 | 32.0 |
| -Northern Region Planning | 0.4 | 0.0 | 104.8 | 105.2 |
| -Southeast Region Planning | 0.0 | 0.0 | 17.0 | 17.0 |
| Proposed budget increases: | | | | |
| -Central Region Planning | 0.0 | 0.0 | 86.8 | 86.8 |
| FY2003 Governor | 346.7 | 0.0 | 5,860.3 | 6,207.0 |

Component: Statewide Planning

Contact: Tom Brigham, Director

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Component Mission

The mission of Statewide Planning is to optimize state investment in transportation and meet federal requirements through effective planning and programming.

Component Services Provided

- Develop area-specific transportation plans to guide transportation infrastructure development over the next 20 years.
- Coordinate the development, submission, and monitoring of the Needs List, and the federally required Statewide Transportation Improvement Program, as well as the annual capital budget. Provides key analyses to the Commissioner on critical issues regarding capital funding for Alaska's transportation and public facility needs.
- Provide federally required highway data collection and analysis to state, federal and local agencies.
- Provide Geographic Information System (GIS) and Global Positioning System (GPS) data collection and analysis, as well as cartographic and other technical services. The result will be more accessible transportation data that can be displayed in easy-to-understand ways.
- Develop and maintain the Statewide Transportation Plan, Public Involvement Plan, and Federal Transit Program.
- Provide administration of Scenic Byways Program, Federal Railroad Administration grants. Provide support to the TRAAK Program. Develop and maintain Bicycle and Pedestrian Plan.
- Provide administration of Urban Planning, and State Planning and Research Program, as well as general accounting and administrative support.
- Develop and administer the State Highway Safety Program.

Component Goals and Strategies

Maintain cooperative planning processes with local governments, state and federal agencies, and within DOT&PF.

- Provide the legislature, local governments, other agencies and private citizens with a central point of contact to facilitate the exchange of planning and capital project related information with the department
- Coordinate access to the DOT&PF decision-making process with these groups;

Meet requirements of the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) and maximize the state's capture of federal funds each year.

- Collect traffic and highway inventory data.
- Coordinate transportation information and planning with local governments.
- Implement public involvement procedures.
- Develop the Statewide Transportation Plan (SwTP).
- Develop the Statewide Transportation Improvement Program (STIP).

Provide effective transportation and public facilities construction and maintenance programs.

- Prepare a capital improvement program to address improvement needs for roadways, ports and harbors, erosion control, pathways, barrier-free access, marine highway system, and other public facilities.

Promote saving lives and reducing motor vehicle injuries on the Alaska highway network.

- Produce annual highway safety plan and annual report.

- Promote statewide outreach and education programs.
- Promote new safety technology.
- Integrate public health strategies into community safety programs.

Key Component Issues for FY2002 – 2003

Passage of the 1991 and 1998 Federal Transportation Bills, Federal Transportation Equity Act for the 21st Century (TEA21), expanded the requirements to inform and involve the public in development of transportation plans and programs. As a result, the statewide and regional planning staff institute a greatly expanded public involvement program that includes holding multiple meetings throughout the region and other communications with local government and the general public. Planning staff then evaluate and rank all projects to identify the highest priority projects that are to compete statewide for federal highway funding. The new Federal Transportation legislation is expected to continue to significantly increase federal funding for transportation in Alaska.

Annual general fund levels have decreased to the point that activities and program areas not directly supported by planning grants received from the Federal Highway Administration (FHWA) or the Federal Aviation Administration (FAA) will have to be deferred. Included in this category is work associated with erosion control, ports and harbors.

Sampling requirements for FHWA data collection have increased. The department has been able to accomplish some savings through installation of automated traffic recorders. Installation of new equipment has been accomplished under "one-time" capital projects. As the national highway system matures, these recorders will need routine maintenance and replacement.

The State's ports and harbors represent a significant financial investment and are an important element in the continued health of the commercial and recreational fishing industries. Unlike Alaska's federal-aid highways and airports, port and harbor facilities do not have an annual source of state-administered capital funding.

The Division of Statewide Planning will be completing work on three long range transportation plans for Southwest Alaska, the Yukon-Kuskokwim Delta area, and the Northwest Area Plan. These plans develop the 20-year transportation investment strategies for road, ferry, rail and air modes utilizing extensive local public involvement.

The Alaska Highway Safety Office identified major driver behavioral problem areas as the following categories: high-risk youth and young drivers; major urban areas with communities that have become recreational destinations; and the Municipality of Anchorage traffic congestion. Lack of child car seat and seat belt usage continues to be an issue.

Major Component Accomplishments in 2001

- Prepared update to the Statewide Transportation Long Range Plan (SwTP), 20 year horizon
- Prepared multiyear, federally required, Statewide Transportation Improvement Program (STIP)
- Completed the development of the Prince William Sound/Copper River Area Plan
- Completed drafts of regional transportation plans for Yukon-Kuskokwim Delta and Southwest Alaska
- Developed Department Geographic Information System
- Received a Partnering for Excellence Award from US Department of Transportation for the Whittier Task Force
- Increased seatbelt usage and traffic enforcement statewide through safety education programs
- Initiated the process of putting Statewide Transportation Long Range Plan and the Statewide Transportation Improvement Program into regulation

Statutory and Regulatory Authority

AS 19.10.020; 110-160

AS 44.42

AS 44.99.001

AS 44.41.021

Title 23, Sec. 420 CFR

Federal Aid Policy Guide - Parts 420 through 490 & 511

Title 23, Sec. 307c, U.S. Code
Title 23, Chapter 4, U.S. Code

Statewide Planning

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 2,641.0 | 2,792.4 | 2,867.4 |
| 72000 Travel | 4.0 | 1.3 | 1.3 |
| 73000 Contractual | 36.1 | 36.0 | 36.0 |
| 74000 Supplies | 43.6 | 16.4 | 16.4 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 2,724.7 | 2,846.1 | 2,921.1 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 105.8 | 105.4 | 107.2 |
| 1027 International Airport Revenue Fund | 17.5 | 17.5 | 18.1 |
| 1061 Capital Improvement Project Receipts | 2,601.4 | 2,723.2 | 2,795.8 |
| Funding Totals | 2,724.7 | 2,846.1 | 2,921.1 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Capital Improvement Project Receipts | 51200 | 2,601.4 | 2,723.2 | 2,723.2 | 2,795.8 | 2,789.4 |
| Restricted Total | | 2,601.4 | 2,723.2 | 2,723.2 | 2,795.8 | 2,789.4 |
| Total Estimated Revenues | | 2,601.4 | 2,723.2 | 2,723.2 | 2,795.8 | 2,789.4 |

Statewide Planning
Proposed Changes in Levels of Service for FY2003

None

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 105.4 | 0.0 | 2,740.7 | 2,846.1 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 1.8 | 0.0 | 73.2 | 75.0 |
| FY2003 Governor | 107.2 | 0.0 | 2,813.9 | 2,921.1 |

Statewide Planning

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|----------------------------------|------------------|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 42 | 42 | Annual Salaries | 2,168,888 |
| Part-time | 0 | 0 | COLA | 54,469 |
| Nonpermanent | 0 | 0 | Premium Pay | 29,743 |
| | | | Annual Benefits | 792,787 |
| | | | <i>Less 5.86% Vacancy Factor</i> | (178,487) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 42 | 42 | Total Personal Services | 2,867,400 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|-----------|-----------|-----------|----------|-----------|
| Administrative Assistant | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk II | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk III | 0 | 0 | 2 | 0 | 2 |
| Administrative Manager II | 0 | 0 | 1 | 0 | 1 |
| Administrator,Hwy SPA | 0 | 0 | 1 | 0 | 1 |
| Analyst/Programmer III | 0 | 0 | 2 | 0 | 2 |
| Analyst/Programmer IV | 0 | 0 | 2 | 0 | 2 |
| Division Director | 0 | 0 | 1 | 0 | 1 |
| Operations Res Anl I | 0 | 0 | 1 | 0 | 1 |
| Planner II | 0 | 0 | 1 | 0 | 1 |
| Planner III | 0 | 0 | 12 | 0 | 12 |
| Project Asst | 0 | 0 | 2 | 0 | 2 |
| Research Analyst I | 0 | 0 | 1 | 0 | 1 |
| Research Analyst II | 0 | 0 | 3 | 0 | 3 |
| Research Analyst III | 0 | 0 | 1 | 0 | 1 |
| Statistical Technician I | 0 | 0 | 2 | 0 | 2 |
| Statistical Technician II | 0 | 0 | 2 | 0 | 2 |
| Trans Planner I | 0 | 0 | 3 | 0 | 3 |
| Trans Planner II | 0 | 0 | 2 | 0 | 2 |
| Trans Planner III | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 42 | 0 | 42 |

Component: Central Region Planning

Contact: Mark Mayo, Transportation Planner

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Component Mission

The mission of Central Region Planning is to contribute to the development of the Statewide Transportation Improvement Program (STIP), the Statewide Transportation Plan, and regional plans through a public process that results in orderly project and capital budget sequencing, and to conduct highway data collection.

Component Services Provided

- Establishing and maintaining cooperative planning processes with the Division of Design and Engineering Services, Maintenance and Operations, other state and federal agencies, and local governments. This includes providing legislators, local governments, other agencies and private citizens with a central point of contact to facilitate the exchange of information with the department and to allow these groups access to the Department of Transportation and Public Facilities decision-making process;
- Meeting requirements of the Federal Highway Administration (FHWA) that make Alaska eligible to receive over \$400 million each year. These requirements include collection of traffic and highway inventory data, coordination with local governments, implementation of public involvement procedures, and development of a STIP for FHWA funds;
- Meeting requirements of the Federal Aviation Administration (FAA) that make Alaska eligible to receive over \$140 million annually for airport development in Alaska. These requirements include verification of enplanement data used to determine the State's allocation of FAA funding, the preparation of airport master plans, and the annual preparation of the program for aviation improvements;
- Preparing a capital improvement program to address improvement needs for roadways, ports and harbors, erosion control, pathways, barrier-free access, and other public facilities.

Component Goals and Strategies

- Involve the public in the identification and evaluation of transportation needs, plans, and programs
- Conduct public meetings to share and gather information on transportation needs.
- Develop transportation plans and programs that meet federal requirements for financial assistance.
- Coordinate transportation information and planning with local governments.
- Implement public involvement procedures.
- Integrate the planning process with the annual capital budget development. Meet requirements of the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and Federal Aviation Administration (FAA) that make Alaska eligible to receive transportation funding.
- Collect highway vehicle traffic data for volume, classification, and weigh-in-motion and prepare required reports for submittal to FHWA.

Key Component Issues for FY2002 – 2003

- Continue to Implement the Federal Transportation Equity Act for the 21st Century (TEA 21). Passage of the 1991 and 1998 Federal Transportation Bills expanded the requirements to inform and involve the public in development of transportation plans and programs. As a result, the area planning staff instituted a greatly expanded public involvement program including holding multiple meetings throughout the region and other communications with the local governments and the general public. Planning staff then evaluates and ranks all projects to identify the highest priority projects that are to compete statewide for federal highway funding. TEA 21 has significantly increased federal funding for surface transportation in Alaska.
- Airport capital projects at state-owned airports are identified by the Department and funded by the Federal Aviation Administration through the Airport Capital Improvement Program (ACIP) which is designed to distribute Airport Improvement Program funds based upon priority and need. The Department's own Aviation Project Evaluation Board (APEB) process has been expanded to place a greater emphasis on public involvement and project prioritization in order to provide the ACIP with the information it requires. Regional planning staff must prepare extensive planning

level background information for each proposed aviation project. This activity requires a greater level of interaction between regional planning staff, other DOT&PF functional groups, other state and federal agencies, local governments and the public. The recent passage of the Aviation Investment and Reform Act for the 21st Century (AIR 21) substantially increases the funding for airport improvements in Alaska.

- Recent terrorist strikes in the U.S. have raised concerns about the security of airports nation-wide. Over the next year, DOT&PF will coordinate closely with the FAA to assist in the development of new federal airport security requirements. Security-related design requirements will need to be sensitive to Alaska's unique aviation system, climate, and cultural environment.
- Annual general fund levels have decreased to the point that activities and program areas not directly supported by planning grants received from the FHWA or the FAA will have to be deferred. Included in this category is work associated with erosion control, and ports and harbors.
- The state's ports and harbors represent a significant financial investment and are an important element in the continued health of the commercial and recreational fishing industries. Unlike Alaska's federal-aid highways and airports, port and harbor facilities do not have an annual source of state-administered capital funding.
- Highway Performance Monitoring System (HPMS) sampling requirements for FHWA data collection have increased during the last 2 years. Staff has been able to accomplish some savings through installation of automated traffic recorders and management of a consultant contract for a portion of the required traffic counts. Installations and upgrades to equipment and traffic recorder sites continue through the development of capital projects. These recorders will eventually need routine maintenance and replacement and/or upgrades.

Major Component Accomplishments in 2001

- Completed amendments to FFY2001-2003 Statewide Transportation Improvement Program.
- Maintained 10 cooperative planning processes with local governments.
- Initiated 3 airport master plans.
- Reviewed 60 other government agency plans.
- Reviewed 494 subdivision plats and zoning reviews for local governments.
- Prepared traffic forecasts and design designations for 35 highway construction projects.
- Processed all information needed for the annual submission of the Highway Performance Monitoring System (HPMS).
- Prepared and distributed the Annual Average Volume Report and Annual Anchorage Daily Traffic (AADT) map series.

Statutory and Regulatory Authority

- AS 02 Aeronautics
- AS 36 Public Contracts
- AS 37 Public Finance
- AS 44 State Government
- AAC 17 Department of Transportation and Public Facilities

Central Region Planning

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,126.9 | 1,144.5 | 1,263.3 |
| 72000 Travel | 2.7 | 7.4 | 7.4 |
| 73000 Contractual | 29.4 | 40.0 | 40.0 |
| 74000 Supplies | 25.5 | 13.8 | 13.8 |
| 75000 Equipment | 3.6 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,188.1 | 1,205.7 | 1,324.5 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 128.0 | 128.7 | 130.5 |
| 1061 Capital Improvement Project Receipts | 1,060.1 | 1,077.0 | 1,194.0 |
| Funding Totals | 1,188.1 | 1,205.7 | 1,324.5 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <u>Unrestricted Revenues</u> | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <u>Restricted Revenues</u> | | | | | | |
| Capital Improvement Project Receipts | 51200 | 1,060.1 | 1,077.0 | 1,077.0 | 1,194.0 | 1,194.0 |
| Restricted Total | | 1,060.1 | 1,077.0 | 1,077.0 | 1,194.0 | 1,194.0 |
| Total Estimated Revenues | | 1,060.1 | 1,077.0 | 1,077.0 | 1,194.0 | 1,194.0 |

Central Region Planning

Proposed Changes in Levels of Service for FY2003

As a result of the expanded federal programs, a new Planner will be added to assist in the development of the Statewide Transportation Improvement Program (STIP) and the Aviation Improvement Program (AIP)

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 128.7 | 0.0 | 1,077.0 | 1,205.7 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 1.8 | 0.0 | 30.2 | 32.0 |
| Proposed budget increases: | | | | |
| -Add one new PFT position to assist in the development of STIP and AIP Programs | 0.0 | 0.0 | 71.8 | 71.8 |
| -Increase CIP Receipts to meet the vacancy factor guidelines established by OMB | 0.0 | 0.0 | 15.0 | 15.0 |
| FY2003 Governor | 130.5 | 0.0 | 1,194.0 | 1,324.5 |

Central Region Planning
Personal Services Information

| Authorized Positions | | Personal Services Costs | |
|-----------------------------|--------------------------|--------------------------------|--|
| | <u>FY2002</u> | <u>FY2003</u> | |
| | <u>Authorized</u> | <u>Governor</u> | |
| Full-time | 18 | 19 | Annual Salaries 935,993 |
| Part-time | 0 | 0 | COLA 22,170 |
| Nonpermanent | 0 | 0 | Premium Pay 1,234 |
| | | | Annual Benefits 346,004 |
| | | | Less 3.23% Vacancy Factor (42,101) |
| | | | Lump Sum Premium Pay 0 |
| Totals | 18 | 19 | Total Personal Services 1,263,300 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|------------------|------------------|---------------|---------------|--------------|
| Accounting Tech II | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk I | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk II | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk III | 1 | 0 | 0 | 0 | 1 |
| Eng Tech Sub Journey III | 1 | 0 | 0 | 0 | 1 |
| Planner I | 1 | 0 | 0 | 0 | 1 |
| Planner II | 1 | 0 | 0 | 0 | 1 |
| Planner III | 6 | 0 | 0 | 0 | 6 |
| Research Analyst II | 1 | 0 | 0 | 0 | 1 |
| Statistical Technician I | 1 | 0 | 0 | 0 | 1 |
| Trans Planner I | 2 | 0 | 0 | 0 | 2 |
| Trans Planner II | 1 | 0 | 0 | 0 | 1 |
| Trans Planner III | 1 | 0 | 0 | 0 | 1 |
| Totals | 19 | 0 | 0 | 0 | 19 |

Component: Northern Region Planning

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Component Mission

The mission of Northern Region Planning is to contribute to the development of the statewide transportation improvement program, the statewide transportation improvement plan, and regional plans through a public process that results in orderly project and capital budget sequencing, and to conduct highway data collection.

Component Services Provided

- Establish and maintain cooperative planning processes with the Division of Design and Engineering Services, Maintenance and Operations, other state and federal agencies, and local governments. This includes providing legislators, local governments, other agencies and private citizens with a central point of contact to facilitate the exchange of information with the department and to allow these groups participation in the Department of Transportation and Public Facilities decision-making process;
- Meet requirements of the Federal Highway Administration (FHWA) that make Alaska eligible to over \$400 million each year statewide. These requirements include collection of traffic and highway inventory data, coordination with local governments, implementation of public involvement procedures, and development of a STIP for FHWA funds;
- Meet requirements of the Federal Aviation Administration (FAA) that make Alaska eligible to receive over \$70 million annually for airport development in Alaska. These requirements include verification of enplanement data used to determine the State's allocation of FAA funding, the preparation of airport master plans, and the annual preparation of the program for aviation improvements;
- Prepare a capital improvement program to address improvement needs for roadways, airports, ports and harbors, erosion control, pathways, barrier-free access, and other public facilities.

Component Goals and Strategies

Involve the public in the identification and evaluation of transportation needs, plans, and programs

- Visit communities and conduct public meetings and collect public comments.
- Develop transportation plans and programs that meet federal requirements for financial assistance.
- Prepare airport master plans.
- Process information for Highway Performance Monitoring System (HPMS).
- Participate in cooperative planning process with local governments and prepare local transportation plans.
- Coordinate interagency community development.
- Review other government agency plans, subdivision plats, and zoning.
- Integrate a continuing planning process with annual CIP development.
- Insure legislative authority aligns with the Surface Transportation Improvement Plan (STIP).
- Improve the efficiency, accuracy, and timeliness of highway data collection and reporting activities.
- Install automated traffic counters.
- Use current technology for collecting and analyzing data.

Key Component Issues for FY2002 – 2003

- Implementation of the Federal Transportation Equity Act for the 21st Century (TEA21). Passage of the 1991 and 1998 Federal Transportation Bills expanded the requirements to inform and involve the public in development of transportation plans and programs. As a result, the area planning staff instituted a greatly expanded public involvement program including holding multiple meetings throughout the region and other communications with the local government and the general public. Planning staff then evaluates and ranks all projects to identify the highest priority projects that are to compete statewide for federal highway funding. TEA21 is expected to significantly increase federal funding for transportation in Alaska.

- The Federal Aviation Administration has instituted a process called the Airport Capital Improvement Program (ACIP) which is designed to distribute Airport Improvement Program funds based upon priority and need. The Department's own Aviation Project Evaluation Board (APEB) process has been expanded to place a greater emphasis on public involvement and project prioritization in order to provide the ACIP with the information it requires. Regional planning staff must prepare extensive planning level background information for each proposed aviation project. This activity requires a greater level of interaction between regional planning staff, other DOT&PF functional groups, other State and federal agencies, and local governments.
- Recent terrorist strikes in the U.S. have raised concerns about the security of airports nation-wide. Over the next year, DOT&PF will coordinate closely with the FAA to assist in the development of new federal airport security requirements. Security-related design requirements will need to be sensitive to Alaska's unique aviation system, climate, and cultural environment.
- Sampling requirements for FHWA data collection have increased. Staff has been able to accomplish some savings through installation of automated traffic recorders. Installations have been accomplished under "one-time" capital projects. As the national highway system matures, these recorders will need routine maintenance and replacement.

Major Component Accomplishments in 2001

- Completed a major update of the FFY01-03 Statewide Improvement Program (STIP) and several major amendments. Initiated a major update of the FFY04-06 STIP.
- Completed a major update of the FFY2001 Airport Improvement Program (AIP). Initiated a major update of the FFY02-04 AIP.
- Initiated the Northwest Arctic Area Transportation Study, the Parks Highway Corridor Master Plan, the Winter Transportation Study Phase II, the Fairbanks International Airport Master Plan, the Valdez Airport Master Plan, the Copper Basin Aviation System Plan and the Tok Alaska Public Lands Information Center (APLIC) Visitor's Center Concept Plan.
- Continued efforts on the Kivalina Airport Master Plan and the Kantishna Airport Master Plan.
- Completed the Fairbanks Downtown Transportation Plan, the Barrow Airport Master Plan and the Cordova Airport Master Plan.
- Submitted year 2000 data for Highway Performance Monitoring System (HPMS) and completed the year 2000 Northern Region Annual Traffic Volume Report.

Statutory and Regulatory Authority

U.S. Code, Title 23
AS Title 19
AS Title 35
AS Title 44

Northern Region Planning

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 908.2 | 1,141.0 | 1,246.2 |
| 72000 Travel | 15.2 | 15.2 | 15.2 |
| 73000 Contractual | 35.1 | 50.7 | 50.7 |
| 74000 Supplies | 22.1 | 6.5 | 6.5 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 980.6 | 1,213.4 | 1,318.6 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 86.7 | 86.9 | 87.3 |
| 1007 Inter-Agency Receipts | 38.0 | 54.3 | 55.8 |
| 1061 Capital Improvement Project Receipts | 855.9 | 1,072.2 | 1,175.5 |
| Funding Totals | 980.6 | 1,213.4 | 1,318.6 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 38.0 | 54.3 | 30.0 | 55.8 | 40.0 |
| Capital Improvement Project Receipts | 51200 | 855.9 | 1,072.2 | 1,072.2 | 1,175.5 | 1,175.5 |
| Restricted Total | | 893.9 | 1,126.5 | 1,102.2 | 1,231.3 | 1,215.5 |
| Total Estimated Revenues | | 893.9 | 1,126.5 | 1,102.2 | 1,231.3 | 1,215.5 |

Northern Region Planning

Proposed Changes in Levels of Service for FY2003

A position was transferred into this component to support the Regional Director in the preparation of regional responses to public, legislative, media, and other departmental entity requests.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 86.9 | 0.0 | 1,126.5 | 1,213.4 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.4 | 0.0 | 29.8 | 30.2 |
| -Transfer PFT liaison position with funding from NR Construction | 0.0 | 0.0 | 75.0 | 75.0 |
| FY2003 Governor | 87.3 | 0.0 | 1,231.3 | 1,318.6 |

Northern Region Planning

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 13 | 14 | Annual Salaries | 853,861 |
| Part-time | 2 | 2 | COLA | 22,081 |
| Nonpermanent | 0 | 0 | Premium Pay | 67,815 |
| | | | Annual Benefits | 320,172 |
| | | | Less 1.40% Vacancy Factor | (17,729) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 15 | 16 | Total Personal Services | 1,246,200 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Clerk II | 0 | 1 | 0 | 0 | 1 |
| Administrative Clerk III | 0 | 2 | 0 | 0 | 2 |
| Analyst/Programmer III | 0 | 1 | 0 | 0 | 1 |
| Eng Tech Sub Journey II | 0 | 1 | 0 | 0 | 1 |
| Planner I | 0 | 1 | 0 | 0 | 1 |
| Planner II | 0 | 2 | 0 | 0 | 2 |
| Planner III | 0 | 3 | 0 | 0 | 3 |
| Trans Planner I | 0 | 3 | 0 | 0 | 3 |
| Trans Planner II | 0 | 1 | 0 | 0 | 1 |
| Trans Planner III | 0 | 1 | 0 | 0 | 1 |
| Totals | 0 | 16 | 0 | 0 | 16 |

Component: Southeast Region Planning

Contact: Andy Hughes, Planning Chief

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Component Mission

The mission of Southeast Region Planning is to contribute to the development of the statewide transportation improvement program, the statewide transportation improvement plan, and regional plans through a public process that results in orderly project and capital budget sequencing, and to conduct highway data collection.

Component Services Provided

- Monitor and evaluate the functioning of local and regional transportation systems by either conducting traffic count programs, user surveys and condition surveys and/or gathering information developed by others.
- Maintain a dialog with community leaders and the public to identify needs, develop consensus and explain plans and programs developed to address those needs. Communicate through public meetings, public notices, email, telephone and written correspondence.
- Solicit project nominations from communities, Native organizations, governmental agencies, departmental divisions, businesses and public; review information for completeness; screen and regionally prioritize project nominations; obtain confirming cost estimates from design section; prepare project information sheets and present projects to the department's Project Evaluation Board for ranking.
- Coordinate Forest Highway Program (FHP) statewide with State Transportation Improvement Program. Support Statewide Planning Director in representing department and community interests in tri-agency meetings with representatives from the US Forest Service and Federal Highway Administration to program FHP funding and guide development of FHP projects. Participate in scoping and prioritizing projects for FHP funding.
- Develop and maintain current airport master plans and Marine Highway System plans, and assist in implementation of the Marine Highway System component of regional transportation plans. Assist communities with advice, services and funding in the development and update of local transportation and transit plans. Review community and private development plans for consistency with federal, state and community plans, regulations and laws.

Component Goals and Strategies

Involve the public in the identification and evaluation of transportation needs, plans, and programs.

- Visit communities and conduct public meetings and collect public comments
- Maintain contact with local government officials
- Maintain contact with user groups

Develop transportation plans and programs that meet federal requirements for financial assistance.

- Prepare Airport Master Plans
- Process information for Highway Performance Monitoring System (HPMS)
- Prepare local Transportation Plans

Assist communities in meeting local transportation needs.

- Participate in cooperative planning process with local governments
- Coordinate interagency community development
- Review other government agency plans, subdivision plats, and zoning
- Monitor, prioritize and recommend funding in the State Transportation Improvement Program to support the efficient implementation of the Southeast Alaska Transportation Plan, the Alaska Marine Highway System, airport master plans, and local transportation and transit plans.

Integrate a continuing planning process with annual CIP development.

- Insure legislative authority aligns with the Surface Transportation Improvement Plan (STIP)

Improve the efficiency, accuracy, and timeliness of highway data collection and reporting activities.

- Install automated traffic counters
- Use current technology for collecting and analyzing data

Key Component Issues for FY2002 – 2003

- Southeast Region Planning does not have the staff to provide all of the assigned services in a timely manner. As a result, the office will prioritize supporting and maintaining the region's capital improvement program over lessor coordination activities, consistency reviews and plan updates.
- Implementation of the Alaska Marine Highway component of the SE Transportation Plan, and the Alaska Marine Highway System improvements recommended in the Prince William Sound and Southwest Alaska Transportation Plans. The recommendations contained in the regional plans represent only the beginning of a process that needs to be supported by further operational analysis, development of a logical implementation schedule, refined project scopes, and a funding program. New information developed during the ongoing implementation process may lead to additional public and community involvement and plan addendum.
- Supporting the Alaska Marine Highway System (AMHS) in developing a system plan in accordance with Alaska Statutes Sec. 19.65.011. The SE Region is proceeding to update the AMHS plan incorporating the recommendations of the Southeast Alaska Transportation Plan, the Prince William Sound Transportation Plan and the Southwest Alaska Transportation Plan. The AMHS Plan will address the need to reduce system subsidy requirements.
- Coordination with the Inter-island Ferry Authority (IFA) in the implementation of the Southeast Alaska Transportation Plan and programming improvements, such as, construction of an additional transfer berth at the Ketchikan Ferry Terminal to facilitate IFA ferry service.
- Continue to Implement the Federal Transportation Equity Act for the 21st Century (TEA 21). Passage of the 1991 and 1998 Federal Transportation Bills expanded the requirements to inform and involve the public in development of transportation plans and programs. As a result, regional planning staff instituted a greatly expanded public involvement program including holding multiple meetings throughout the region and other communications with the local governments and the general public. Planning staff then evaluates and ranks all projects to identify the highest priority projects that are to compete statewide for federal highway funding. TEA 21 has significantly increased federal funding for surface transportation in Alaska.
- Airport capital projects at state-owned airports are identified by the Department and funded by the Federal Aviation Administration through the Airport Capital Improvement Program (ACIP) which is designed to distribute Airport Improvement Program funds based upon priority and need. The Department's own Aviation Project Evaluation Board (APEB) process has been expanded to place a greater emphasis on public involvement and project prioritization in order to provide the ACIP with the information it requires. Regional planning staff must prepare extensive planning level background information for each proposed aviation project. This activity requires a greater level of interaction between regional planning staff, other DOT&PF functional groups, other state and federal agencies, local governments and the public. The recent passage of the Aviation Investment and Reform Act for the 21st Century (AIR 21) substantially increases the funding for airport improvements in Alaska.
- Recent terrorist strikes in the U.S. have raised concerns about the security of airports nation-wide and the Alaska Marine Highway System. Over the next year, DOT&PF will coordinate closely with the FAA to assist in the development of new federal airport security requirements and conduct studies and coordinate closely with the US Coast Guard to improve security at our ports, harbors, ferry terminals and ferries. Security-related design requirements will need to be sensitive to Alaska's unique aviation and ferry systems, climate, and cultural environment.
- Annual general fund levels have decreased to the point that activities and program areas not directly supported by planning grants received from the FHWA or the FAA will have to be deferred. Included in this category is work associated with erosion control, and ports and harbors.
- The state's ports and harbors represent a significant financial investment and are an important element in the continued health of the commercial and recreational fishing industries. Unlike Alaska's federal-aid highways and airports, port and harbor facilities do not have an annual source of state-administered capital funding.
- Highway Performance Monitoring System (HPMS) sampling requirements for FHWA data collection have increased during the last 2 years. Staff has been able to accomplish some savings through installation of automated traffic recorders and management of a consultant contract for a portion of the required traffic counts. Installations and upgrades to equipment and traffic recorder sites continue through the development of capital projects. These recorders will eventually need routine maintenance and replacement and/or upgrades.

Major Component Accomplishments in 2001

- Substantial progress towards completion of airport master plan updates for Ketchikan International Airport and Wrangell Airport and a reconnaissance study to locate a suitable site for a new airport at Angoon.
- Initiation of airport master plan updates for Yakutat and Hoonah airports.
- Reassessment of the FFY2001-2003 Statewide Transportation Improvement Program.

- Completion of Juneau Areawide Transportation Plan.
- Reviewed 4 other government agency plans.
- Reviewed 25 subdivision plats and 70 driveway/encroachment reviews.
- Processed all information needed for the annual submission of the Highway Performance Monitoring System (HPMS).
- Prepared and distributed the Annual Traffic Volume Report and Annual Daily Traffic map series.
- Updated implementation schedules for the Southeast Transportation Plan and the Prince William Sound Transportation Plan.
- Completed Lynn Canal and North Panhandle Ferry Operations Study.

Statutory and Regulatory Authority

AS 19

AS 35

AS 44

Southeast Region Planning

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 594.0 | 598.0 | 615.0 |
| 72000 Travel | 2.8 | 4.3 | 4.3 |
| 73000 Contractual | 12.5 | 16.2 | 16.2 |
| 74000 Supplies | 12.5 | 7.3 | 7.3 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 621.8 | 625.8 | 642.8 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 21.7 | 21.7 | 21.7 |
| 1061 Capital Improvement Project Receipts | 600.1 | 604.1 | 621.1 |
| Funding Totals | 621.8 | 625.8 | 642.8 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <u>Unrestricted Revenues</u> | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <u>Restricted Revenues</u> | | | | | | |
| Capital Improvement Project Receipts | 51200 | 600.1 | 604.1 | 604.1 | 621.1 | 627.2 |
| Restricted Total | | 600.1 | 604.1 | 604.1 | 621.1 | 627.2 |
| Total Estimated Revenues | | 600.1 | 604.1 | 604.1 | 621.1 | 627.2 |

Southeast Region Planning

Proposed Changes in Levels of Service for FY2003

No service level changes are planned for FY2003.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 21.7 | 0.0 | 604.1 | 625.8 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 17.0 | 17.0 |
| FY2003 Governor | 21.7 | 0.0 | 621.1 | 642.8 |

Southeast Region Planning

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 6 | 6 | Annual Salaries | 466,698 |
| Part-time | 1 | 1 | COLA | 13,398 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 151,531 |
| | | | <i>Less 2.63% Vacancy Factor</i> | (16,627) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 7 | 7 | Total Personal Services | 615,000 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-------------------------|-----------|-----------|----------|----------|----------|
| Eng Tech Sub Journey II | 0 | 0 | 1 | 0 | 1 |
| Marine Trans Srvs Mgr | 0 | 0 | 1 | 0 | 1 |
| Trans Planner I | 0 | 0 | 3 | 0 | 3 |
| Trans Planner III | 0 | 0 | 2 | 0 | 2 |
| Totals | 0 | 0 | 7 | 0 | 7 |

Design and Engineering Services Budget Request Unit

Contact: Michael L. Downing, P.E., Chief Engineer

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BRU Mission

The mission of Design and Engineering Services is to develop projects that improve Alaska's transportation and public facilities infrastructure. The Division also provides a wide range of technical services to the Department, other state and federal agencies, local governments and the public.

BRU Services Provided

The planning of a project requires engineering, environmental and estimating services that are provided to Planning staff by the D&ES Division. Starting with the initial funding of a project, the D&ES Division has primary responsibility for a project through the completion of a bid-ready set of plans, specifications for the legal and technical contract terms, and an engineer's estimate for the cost of construction. The D&ES staff then provides technical assistance during bidding and construction.

The Division provides a wide range of technical support functions to the Department, other state and federal agencies, local governments, and the public. Examples include design assistance, traffic speed studies, bridge inspections, materials testing, the processing of utility, right of way and traffic permits, preparation of environmental documents, a full research program and the Local Technical Assistance Program (both funded by the Federal Highway Administration). The Design and Construction Standards section develops standards that are in use throughout the state.

BRU Goals and Strategies

- To develop projects in the capital budget according to the timing and at the funding levels contained in the Department's planning documents and to ensure that the division is capable of producing at least fifty percent of the design work necessary for the program. Retaining the in-house ability to perform the core functions of project delivery enables the department to respond to needs rapidly and is necessary to effectively manage consultants performing these same functions.
- Use consultants to provide specialized technical services such as photogrammetry, design of corrosion protection, hydrology, underwater inspections and environmental site assessments.
- Continue to develop positive working relationships with resource agencies that issue permits for Department projects such as the Corps of Engineers, U.S. Fish and Wildlife, the Department of Fish and Game, the Department of Environmental Conservation, the Environmental Protection Agency, and others.
- Participate in the development of the Department's planning documents so that the resulting scope, schedule and budget are consistent with good engineering practices and practical to implement.
- Further implement management reporting systems for projects to improve the coordination of resources, priorities, cost, scope and standards.
- Provide the following technical services: design assistance; traffic speed studies; permits; bridge inspections; materials testing; the processing of utility, right-of-way and traffic permits; preparation of environmental documents.
- Assist the public and businesses with permits for right-of-way use, utilities, lane closures, special events, driveways and signs in an efficient and service-oriented manner.
- Continue the Local Technical Assistance Program funded by the Federal Highway Administration as an outreach program to local agencies engaged in the design, construction and maintenance of roads.
- Provide a program of technical training funded by the Federal Highway Administration free to Department staff, local agencies, state and federal agencies and to consultants who are performing design work for the Department.

- Provide State design standards for Capital Projects.

Key BRU Issues for FY2002 – 2003

- Section 1309 of the Transportation Equity Act for the 21st Century calls for a coordinated environmental review process to expedite federal highway and transit projects. Environmental streamlining efforts are underway nationwide. Negotiations for the state's streamlining agreements must take place to reflect Alaska's unique conditions. The initiative has two major areas of emphasis: protecting and enhancing environmental quality and reducing project delays.
- The Division's right-of-way (ROW) activities are time consuming, expensive and often on the critical path for project delivery. The Department is continuing efforts to streamline the ROW procedures; moving property management information into a statewide database; developing on-line applications for permits; amending the regulations related to ROW and permitting and developing new ways of contracting for consultant assistance with the ROW program.
- The Department continues to support various methods to reduce pavement rutting. The Division is responsible for improved pavement designs and providing technical assistance to the legislature on bills related to studded tire wear.
- As the Division continues to increase reliance on private sector consultants, services previously provided by Division staff must be looked at for possible private sector contracting. The negotiation and acquisition of land under eminent domain, utility relocation agreements, deep foundation drilling are examples of services that need to be contracted with a careful and cautious approach.
- The Division continues to evaluate designs and design standards to reduce maintenance costs of the completed capital improvement. Capital projects are an effective way to reduce maintenance costs by replacing or refurbishing worn or outdated public facilities. There is an opportunity to assist the maintenance program by incorporating low maintenance design features.

Major BRU Accomplishments in 2001

- The Division delivered a comprehensive program of bid ready designs and contract documents for projects across the state. The Division's performance placed the Department in a position to receive an additional \$ 2.2 million in Federal Highway Administration funding compared to \$1.5 million in FY2000. The additional funds were available because other states were unable to obligate their full allocations of federal-aid.

Key Performance Measures for FY2003

Measure:

The percentage of federal highway funds obligated in the previous federal fiscal year.
Sec 144(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

100% of federal highway funds were obligated. The Division's target is to obligate 100% each year. The Division's performance in FY2001 placed the Department in a position to receive an additional \$ 2.2 million in funding from the Federal Highway Administration, compared to an additional \$1.5 million in FY2000. The additional funds were available because other states were not as well prepared and were unable to obligate their full allocation of federal-aid. Staff was increased in FY2000 to help meet our obligations. We are ready for the challenges ahead in FY2003.

Benchmark Comparisons:

All states attempt to achieve 100%.

Background and Strategies:

The Division strives to obligate all federal funds that are available to the state for highway projects. The staff continue to work diligently on that front, reporting regularly on their projects to the Division management, and through a

computerized management reporting system.

Measure:

The percentage of projects in the capital budget that have been bid in the year programmed.

Sec 144(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

On track. Ideally, we would like to achieve 100%. However a goal of 100% shouldn't drive the Department to condemn property, limit public input or shorten the review of a sensitive environmental issue.

Benchmark Comparisons:

None

Background and Strategies:

We work cooperatively with the contracting community to balance the number of projects being bid at one time so that the contractor's estimating staff is not overwhelmed. In return we receive more competitive bids that reflect a better understanding of the work. The Division strives to complete designs and bid all projects that are part of the capital budget each year. Staff regularly report on their projects to the Division management, and maintain a computerized management reporting system.

Measure:

The percentage of total project costs spent on project development.

Sec 144(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

For FY2000, the Division reported 14% of total project costs spent on project development. For FY2001, we are at 14.39%. The increase is due to the increase in federal funds and the inherent lag of construction expenditures occurring in the years following development expenditures.

Benchmark Comparisons:

There are no comparable benchmarks. A lower percentage is always desirable. Responding to public comments, environmental concerns and permitting requirements will always drive the percentage up. Our goal is achieving the right balance. Setting a number would be an oversimplification.

Background and Strategies:

The Division is developing management reporting tools to aid in its efforts to control project development costs. We have also instituted additional program codes to more carefully track right of way and utilities expenditures. We will use the available management tools to track our costs, and improve our performance.

Measure:

The percentage difference between final project estimates and construction bids.

Sec 144(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

On track. Ideally estimates would accurately predict bids. However, we use those same estimates for developing the STIP and the capital budget. Within the total program, project costs increase during construction. Appropriations need to reflect the anticipated total cost so that a project is funded through completion. Our estimates, therefore, reflect total cost and are higher than bids.

Benchmark Comparisons:

There are no comparable benchmarks.

Background and Strategies:

The Division has a consultant under contract using federal research funds, constructing a bid analysis and estimate program. The program is 50% complete and should be finalized this summer. We will use this tool to improve our final project estimates by using historic information to prepare our estimates.

Measure:

Whether the department is successful in requiring private contractors performing design and engineering services for the state to report on the same measures.

Sec 144(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Work performed under contract is already included in the results of our other measures.

Benchmark Comparisons:

None

Measure:

The percentage of the design and engineering work of the division that was performed by private contractors.

Sec 144(b)(6) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

We estimate that there is greater than 50% of the design and engineering work performed by private contractors.

Benchmark Comparisons:

The Transportation Research Board Report #277 on the outsourcing of Department of Transportation design work recommends that the optimal program is a balance of one-half in-house and one-half consultant designs.

Background and Strategies:

Retaining the in-house ability to perform the core functions of project delivery position the department to respond to needs rapidly and is necessary to effectively manage consultants performing these same functions. The Division intends to maintain current staff levels, and contract out as necessary to complete the work programmed in the capital budget and obligate all federal highway and airport funds available.

Measure:

The transfer of state-owned ports and harbors to local control.

Sec 146(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Chapter 61, SLA 01 authorized funding to transfer Ketchikan Bar Harbor South, Pelican Harbor, and partial funding for the transfer of Sitka facilities. As of December 2001, Pelican Harbor and Sitka have transferred, and Ketchikan is expected to transfer soon (pending assembly action). To date, 22 facilities (including SLA 01 activity) have been transferred with 31 more candidates ready and awaiting adequate funding.

Benchmark Comparisons:

None

Background and Strategies:

The Statewide Harbors Engineer works with local communities to ensure the smooth transition of port and harbor transfers to local control. He actively follows the capital budget as it makes its way through the legislature, to ensure that he is prepared to take immediate steps once the budget passes and is signed by the Governor.

Measure:

Whether the department completes the environmental impact statement phase on the Ketchikan Airport Access by December 31, 2001.

Sec 150(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Work on the draft environmental document continues. Choosing a preferred alternative has been difficult. After meeting with the Northwest Cruise Ship Association, the less expensive low level bridge now appears to have significant economic impacts on businesses. The larger tour ships would not be able to traverse Tongass Narrows and a change in routing would equate to less berthing and consumer spending time in Ketchikan. A secondary issue is where to place a high level bridge. The FAA has been non-committal about the impacts of a high bridge near the airport and residents of Pennock Island and cruise line officials do not care for the Pennock site. These issues, along with a period of non-commitment from local elected officials facing a government consolidation move, has delayed the issuance of a preferred alternative. The best estimate to deliver a preferred alternative now appears to be in the spring of 2002.

Benchmark Comparisons:

None

Background and Strategies:

This project is under contract with a private firm. The Division staff overseeing the contractor's work meet regularly with the contractor to ensure that the project remains on track.

Design and Engineering Services
BRU Financial Summary by Component

All dollars in thousands

| | General Funds | FY2001 Actuals Federal Funds | Other Funds | Total Funds | General Funds | FY2002 Authorized Federal Funds | Other Funds | Total Funds | General Funds | FY2003 Governor Federal Funds | Other Funds | Total Funds |
|------------------------------|------------------|------------------------------------|-----------------|-----------------|------------------|---------------------------------------|-----------------|-----------------|------------------|-------------------------------------|-----------------|-----------------|
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| SW Design & Engineering Svcs | 899.1 | 0.0 | 6,572.0 | 7,471.1 | 913.9 | 0.0 | 7,249.4 | 8,163.3 | 930.7 | 0.0 | 7,770.8 | 8,701.5 |
| Central Design & Eng Svcs | 362.3 | 0.0 | 11,034.0 | 11,396.3 | 412.6 | 0.0 | 10,798.7 | 11,211.3 | 419.9 | 0.0 | 12,083.2 | 12,503.1 |
| Northern Design & Eng Svcs | 228.9 | 0.0 | 8,787.7 | 9,016.6 | 265.8 | 0.0 | 9,473.4 | 9,739.2 | 271.1 | 0.0 | 10,088.5 | 10,359.6 |
| Southeast Design & Eng Svcs | 287.3 | 0.0 | 5,605.1 | 5,892.4 | 328.1 | 0.0 | 5,653.8 | 5,981.9 | 334.3 | 0.0 | 6,030.0 | 6,364.3 |
| Totals | 1,777.6 | 0.0 | 31,998.8 | 33,776.4 | 1,920.4 | 0.0 | 33,175.3 | 35,095.7 | 1,956.0 | 0.0 | 35,972.5 | 37,928.5 |

Design and Engineering Services

Proposed Changes in Levels of Service for FY2003

Last year the Department received increase federal funding for highways, \$80 million in two special appropriations, and a substantial increase, \$60 million, in the FAA Airport Improvement Program. The high level of federal funding, plus more special appropriations, is expected to continue. Congress may add funds for security purposes and as part of an economic stimulus package. Changes to service levels are driven by congressional appropriations and may require additional resources in order to deliver the projects funded. The division has added additional engineering positions to accomodate recent growth in federal programs.

Design and Engineering Services

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 1,920.4 | 0.0 | 33,175.3 | 35,095.7 |
| Adjustments which will continue current level of service: | | | | |
| -SW Design & Engineering Svcs | 16.8 | 0.0 | 181.6 | 198.4 |
| -Central Design & Eng Svcs | 7.3 | 0.0 | 270.4 | 277.7 |
| -Northern Design & Eng Svcs | 5.3 | 0.0 | 245.1 | 250.4 |
| -Southeast Design & Eng Svcs | 6.2 | 0.0 | 141.4 | 147.6 |
| Proposed budget increases: | | | | |
| -SW Design & Engineering Svcs | 0.0 | 0.0 | 339.8 | 339.8 |
| -Central Design & Eng Svcs | 0.0 | 0.0 | 1,014.1 | 1,014.1 |
| -Northern Design & Eng Svcs | 0.0 | 0.0 | 370.0 | 370.0 |
| -Southeast Design & Eng Svcs | 0.0 | 0.0 | 234.8 | 234.8 |
| FY2003 Governor | 1,956.0 | 0.0 | 35,972.5 | 37,928.5 |

Component: Statewide Design and Engineering Services

Contact: Michael L. Downing, P.E., Chief Engineer

Tel: (907) 465-2960 **Fax:** (907) 465-2460 **E-mail:** Michael_Downing@dot.state.ak.us

Component Mission

The mission of Design and Engineering Services is to develop projects that improve Alaska's transportation and public facilities infrastructure. The Division also provides a wide range of technical services to the Department, other state and federal agencies, local governments and the public.

Component Services Provided

- The Director's Office provides management and guidance to the Division.
- The Administrative Section provides financial and personnel support, and prepares and administers the Division's operating budget and select capital projects.
- The Bridge Design Section provides design services and consultant oversight for new bridge and/or bridge rehabilitation construction projects and a broad range of services associated with the existing inventory of the state's 916 public highway bridges.
- The Statewide Materials Section provides technical support in geology, geotechnical engineering, geologic drilling for major structures and deep hole investigations, foundation design, pavement design and pavement management systems.
- The Ports and Harbors Section provides direction and technical expertise to statewide, regional and local harbor program participants.
- The Design and Construction Standards Section establishes statewide highway design and construction policy, procedures and standards, and develops relevant technical manuals.
- The Research and Technology Transfer Section manages the Department's research program, and provides a variety of technology transfer and training opportunities to Department staff and local government and private sector transportation professionals.

Component Goals and Strategies

- To develop projects in the capital budget according to the timing and at the funding levels contained in the Department's planning documents and to ensure that the division is capable of producing at least fifty percent of the design work necessary for the program. Retaining the in-house ability to perform the core functions of project delivery enables the department to respond to needs rapidly and is necessary to effectively manage consultants performing these same functions.
- Use consultants to provide specialized technical services such as photogrammetry, design of corrosion protection, hydrology, underwater inspections and environmental site assessments.
- Continue to develop positive working relationships with resource agencies that issue permits for Department projects such as the Corps of Engineers, U.S. Fish and Wildlife, the Department of Fish and Game, the Department of Environmental Conservation, the Environmental Protection Agency, and others.
- Participate in the development of the Department's planning documents so that the resulting scope, schedule and budget are consistent with good engineering practices and practical to implement.
- Further implement management reporting systems for projects to improve the coordination of resources, priorities, cost, scope and standards.
- Provide the following technical services: design assistance; traffic speed studies; permits; bridge inspections;

materials testing; the processing of utility, right-of-way and traffic permits; preparation of environmental documents.

- Assist the public and businesses with permits for right-of-way use, utilities, lane closures, special events, driveways and signs in an efficient and service-oriented manner.
- Continue the Local Technical Assistance Program funded by the Federal Highway Administration as an outreach program to local agencies engaged in the design, construction and maintenance of roads.
- Provide a program of technical training funded by the Federal Highway Administration free to Department staff, local agencies, state and federal agencies and to consultants who are performing design work for the Department.
- Provide State design standards for capital projects.

Key Component Issues for FY2002 – 2003

- Section 1309 of the Transportation Equity Act for the 21st Century calls for a coordinated environmental review process to expedite federal highway and transit projects. Environmental streamlining efforts are underway nationwide. Negotiations for the state's streamlining agreements must take place to reflect Alaska's unique conditions. The initiative has two major areas of emphasis: protecting and enhancing environmental quality and reducing project delays.
- The Division's right-of-way (ROW) activities are time consuming, expensive and often on the critical path for project delivery. The Department is continuing efforts to streamline the ROW procedures; moving much of the property management information into a statewide database; developing on-line applications for permits; amending the regulations related to ROW and permitting and developing new ways of contracting for consultant assistance with the ROW program.
- The Department continues to support various methods to reduce pavement rutting. The Division is responsible for improved pavement designs and providing technical assistance to the legislature on bills related to studded tire wear.
- As the Division continues to increase reliance on private sector consultants, services previously provided by just Division staff must be looked at for possible private sector contracting. The negotiation and acquisition of land under eminent domain, utility relocation agreements, deep foundation drilling are examples of services that need to be contracted with a careful and cautious approach.
- The Division is undertaking an initiative to evaluate designs and design standards to reduce maintenance costs of the completed capital improvement. Capital projects are an effective way to reduce maintenance costs by replacing or refurbishing worn or outdated public facilities. There is an opportunity to assist the maintenance program by incorporating low maintenance design features.

Major Component Accomplishments in 2001

- The Division delivered a comprehensive program of bid ready designs and contract documents for projects across the state. The Division's performance placed the Department in a position to receive an additional \$ 2.2 million in Federal Highway Administration funding, compared to an additional \$1.5 million in FY2000. The additional funds were available because other states were unable to obligate their full allocations of federal-aid.

Statutory and Regulatory Authority

AS 02.15, AS 08.48, AS 08.87, AS 19, AS 34.60, AS 35, AS 36, AS 44.42, AS 44.62, 17 AAC 15, CFR 14 Aeronautics, CFR 15 Environment, CFR 16 Environment, CFR 23 Highways, CFR 33 Environment, CFR 41 Contracts, CFR 42 Environment/ADA, CFR 43 Lands, CFR 49 Transportation.

Statewide Design and Engineering Services
Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|-----------------------|--------------------------|------------------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 7,013.7 | 7,295.6 | 7,833.8 |
| 72000 Travel | 78.8 | 165.4 | 165.4 |
| 73000 Contractual | 205.6 | 559.8 | 559.8 |
| 74000 Supplies | 114.7 | 135.5 | 135.5 |
| 75000 Equipment | 58.3 | 7.0 | 7.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 7,471.1 | 8,163.3 | 8,701.5 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 899.1 | 913.9 | 930.7 |
| 1061 Capital Improvement Project Receipts | 6,572.0 | 7,249.4 | 7,770.8 |
| Funding Totals | 7,471.1 | 8,163.3 | 8,701.5 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|-------------------------------|-----------------------|--------------------------|-----------------------------|------------------------|------------------------|
| <u>Unrestricted Revenues</u> | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <u>Restricted Revenues</u> | | | | | | |
| Capital Improvement Project Receipts | 51200 | 6,572.0 | 7,249.4 | 7,249.4 | 7,770.8 | 7,770.8 |
| Restricted Total | | 6,572.0 | 7,249.4 | 7,249.4 | 7,770.8 | 7,770.8 |
| Total Estimated Revenues | | 6,572.0 | 7,249.4 | 7,249.4 | 7,770.8 | 7,770.8 |

Statewide Design and Engineering Services

Proposed Changes in Levels of Service for FY2003

Last year the Department received increase federal funding for highways, \$80 million in two special appropriations, and a substantial increase, \$60 million, in the FAA Airport Improvement Program. The high level of federal funding, plus more special appropriations, is expected to continue. Congress may add funds for security purposes and as part of an economic stimulus package. Changes to service levels are driven by congressional appropriations and may require additional resources in order to deliver the projects funded. The division has added additional engineering positions to accomodate recent growth in federal programs.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 913.9 | 0.0 | 7,249.4 | 8,163.3 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 16.8 | 0.0 | 181.6 | 198.4 |
| Proposed budget increases: | | | | |
| -Fund two PFTs established in FY2001 to support the increased CIP program | 0.0 | 0.0 | 265.6 | 265.6 |
| -Add Gas Pipeline Right-of-Way Agent IV to coordinate Right-of-Way issues | 0.0 | 0.0 | 74.2 | 74.2 |
| FY2003 Governor | 930.7 | 0.0 | 7,770.8 | 8,701.5 |

Statewide Design and Engineering Services

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|--------------------------------|------------------|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 83 | 84 | Annual Salaries | 5,701,147 |
| Part-time | 12 | 12 | COLA | 159,942 |
| Nonpermanent | 0 | 1 | Premium Pay | 510,384 |
| | | | Annual Benefits | 2,034,753 |
| | | | Less 6.81% Vacancy Factor | (572,426) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 95 | 97 | Total Personal Services | 7,833,800 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-----------------------------|-----------|-----------|-----------|----------|-----------|
| Accounting Tech I | 2 | 0 | 0 | 0 | 2 |
| Accounting Tech II | 0 | 0 | 1 | 0 | 1 |
| Administrative Assistant | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk II | 1 | 1 | 2 | 0 | 4 |
| Administrative Clerk III | 1 | 0 | 1 | 0 | 2 |
| Administrative Manager IV | 0 | 0 | 1 | 0 | 1 |
| Asst Commissioner | 0 | 0 | 1 | 0 | 1 |
| Division Director | 1 | 0 | 1 | 0 | 2 |
| DOT/PF Statewide Env Coord | 0 | 0 | 1 | 0 | 1 |
| Drafting Technician III | 1 | 0 | 3 | 0 | 4 |
| Driller Journey | 6 | 0 | 0 | 0 | 6 |
| Engineer/Architect I | 0 | 2 | 2 | 0 | 4 |
| Engineer/Architect II | 1 | 0 | 0 | 0 | 1 |
| Engineer/Architect III | 1 | 0 | 0 | 0 | 1 |
| Engineer/Architect IV | 1 | 1 | 2 | 0 | 4 |
| Engineer/Architect V | 0 | 0 | 1 | 0 | 1 |
| Engineering Assistant I | 1 | 0 | 0 | 0 | 1 |
| Engineering Assistant II | 2 | 0 | 2 | 0 | 4 |
| Engineering Assistant III | 3 | 0 | 7 | 0 | 10 |
| Engineering Associate | 0 | 0 | 1 | 0 | 1 |
| Engineering Geologist II | 4 | 0 | 0 | 0 | 4 |
| Engineering Geologist III | 2 | 0 | 0 | 0 | 2 |
| Engineering Geologist IV | 1 | 0 | 0 | 0 | 1 |
| Env Eng Associate | 0 | 0 | 1 | 0 | 1 |
| Matlab Tech Foreman | 1 | 0 | 0 | 0 | 1 |
| Matlab Tech Journey | 3 | 0 | 0 | 0 | 3 |
| Matlab Tech Sub Journey II | 2 | 0 | 0 | 0 | 2 |
| Matlab Tech Sub Journey III | 1 | 0 | 0 | 0 | 1 |
| Matlab Tech Sub Journey IV | 1 | 0 | 0 | 0 | 1 |
| Micro/Network Tech II | 0 | 0 | 1 | 0 | 1 |
| Policy Analyst | 1 | 0 | 0 | 0 | 1 |
| Publications Spec II | 0 | 0 | 1 | 0 | 1 |
| Right of Way Agent IV | 1 | 0 | 0 | 0 | 1 |
| Right of Way Agent VI | 0 | 0 | 1 | 0 | 1 |
| Right-Of-Way Review AP/I | 0 | 0 | 2 | 0 | 2 |
| Tech Eng I / Architect I | 3 | 0 | 5 | 0 | 8 |
| Tech Eng II / Architect II | 3 | 0 | 9 | 0 | 12 |
| Training Specialist | 0 | 2 | 0 | 0 | 2 |
| Totals | 44 | 6 | 47 | 0 | 97 |

Component: Central Design and Engineering Services

Contact: Michael L. Downing, P.E., Chief Engineer

Tel: (907) 465-2960 **Fax:** (907) 465-2460 **E-mail:** Michael_Downing@dot.state.ak.us

Component Mission

The mission of Design and Engineering Services is to develop projects that improve Alaska's transportation and public facilities infrastructure. The Division also provides a wide range of technical services to the Department, other state and federal agencies, local governments and the public.

Component Services Provided

A full suite of design services is provided in the regional offices: preliminary design and environmental, traffic and safety, materials, surveying, right-of-way, utilities, and design. Each project is taken from the planning stage to final preparation of plans, specifications and estimates, and technical assistance is provided during construction. Environmental compliance services are provided during construction, maintenance and operations of facilities. Design assistance, traffic speed studies, accident analysis, hydrological studies, materials testing, surveying, and the processing of utility, right-of-way and traffic permits are also provided to other state and federal agencies, local governments and the public.

Component Goals and Strategies

- To develop projects in the capital budget according to the timing and at the funding levels contained in the Department's planning documents and to ensure that the division is capable of producing at least fifty percent of the design work necessary for the program. Retaining the in-house ability to perform the core functions of project delivery enables the department to respond to needs rapidly and is necessary to effectively manage consultants performing these same functions.
- Use consultants to provide specialized technical services such as photogrammetry, design of corrosion protection, hydrology, underwater inspections and environmental site assessments.
- Continue to develop positive working relationships with resource agencies that issue permits for Department projects such as the Corps of Engineers, U.S. Fish and Wildlife, the Department of Fish and Game, the Department of Environmental Conservation, the Environmental Protection Agency, and others.
- Participate in the development of the Department's planning documents so that the resulting scope, schedule and budget are consistent with good engineering practices and practical to implement.
- Develop and implement management reporting systems for projects to improve the coordination of resources, priorities, cost, scope and standards.
- Provide the following technical services: design assistance; traffic speed studies; permits; bridge inspections; materials testing; the processing of utility, right-of-way and traffic permits; preparation of environmental documents.
- Assist the public and businesses with permits for right-of-way use, utilities, lane closures, special events, driveways and signs in an efficient and service-oriented manner.

Key Component Issues for FY2002 – 2003

- Section 1309 of the Transportation Equity Act for the 21st Century calls for a coordinated environmental review process to expedite federal highway and transit projects. Environmental streamlining efforts are underway nationwide. Negotiations for the state's streamlining agreements must take place to reflect Alaska's unique conditions. The initiative has two major areas of emphasis: protecting and enhancing environmental quality and reducing project delays.
- The Division's right-of-way (ROW) activities are time consuming, expensive and often on the critical path for project delivery. The Department is continuing efforts to streamline the ROW procedures; moving much of the property management information into a statewide database; developing on-line applications for permits; amending the

regulations related to ROW and permitting and developing new ways of contracting for consultant assistance with the ROW program.

- The Department continues to support various methods to reduce pavement rutting. The Division is responsible for improved pavement designs and providing technical assistance to the legislature on bills related to studded tire wear.
- As the Division continues to increase reliance on private sector consultants, services previously provided by just Division staff must be looked at for possible private sector contracting. The negotiation and acquisition of land under eminent domain, utility relocation agreements, deep foundation drilling are examples of services that need to be contracted with a careful and cautious approach.

Major Component Accomplishments in 2001

- The Division delivered a comprehensive program of bid ready designs and contract documents for projects across the state. The Division's performance placed the Department in a position to receive an additional \$ 2.2 million in Federal Highway Administration funding, compared to an additional \$1.5 million in FY2000. The additional funds were available because other states were not as well prepared and were unable to obligate their full allocation of federal-aid.

Statutory and Regulatory Authority

AS 02.15, AS 08.48, AS 08.87, AS 19, AS 34.60, AS 35, AS 36, AS 44.42, AS 44.62, 17 AAC 15, CFR 14 Aeronautics, CFR 15 Environment, CFR 16 Environment, CFR 23 Highways, CFR 33 Environment, CFR 41 Contracts, CFR 42 Environment/ADA, CFR 43 Lands, CFR 49 Transportation.

Central Design and Engineering Services

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|-----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 10,761.6 | 10,534.6 | 11,826.4 |
| 72000 Travel | 3.2 | 12.4 | 12.4 |
| 73000 Contractual | 186.3 | 313.2 | 313.2 |
| 74000 Supplies | 322.7 | 351.1 | 351.1 |
| 75000 Equipment | 122.5 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 11,396.3 | 11,211.3 | 12,503.1 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 171.8 | 178.1 | 185.4 |
| 1005 General Fund/Program Receipts | 190.5 | 234.5 | 234.5 |
| 1007 Inter-Agency Receipts | 42.1 | 80.3 | 82.2 |
| 1053 Investment Loss Trust Fund | 8.4 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 10,876.5 | 10,475.3 | 11,757.9 |
| 1108 Statutory Designated Program Receipts | 107.0 | 243.1 | 243.1 |
| Funding Totals | 11,396.3 | 11,211.3 | 12,503.1 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|-----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 42.1 | 80.3 | 80.3 | 82.2 | 82.2 |
| General Fund Program Receipts | 51060 | 190.5 | 234.5 | 234.5 | 234.5 | 234.5 |
| Statutory Designated Program Receipts | 51063 | 107.0 | 243.1 | 243.1 | 243.1 | 243.1 |
| Capital Improvement Project Receipts | 51200 | 10,876.5 | 10,475.3 | 10,475.3 | 11,757.9 | 11,757.9 |
| Restricted Total | | 11,216.1 | 11,033.2 | 11,033.2 | 12,317.7 | 12,317.7 |
| Total Estimated Revenues | | 11,216.1 | 11,033.2 | 11,033.2 | 12,317.7 | 12,317.7 |

Central Design and Engineering Services

Proposed Changes in Levels of Service for FY2003

Last year the Department received increase federal funding for highways, \$80 million in two special appropriations, and a substantial increase, \$60 million, in the FAA Airport Improvement Program. The high level of federal funding, plus more special appropriations, is expected to continue. Congress may add funds for security purposes and as part of an economic stimulus package. Changes to service levels are driven by congressional appropriations and may require additional resources in order to deliver the projects funded. The division has added additional engineering positions to accomodate recent growth in federal programs.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 412.6 | 0.0 | 10,798.7 | 11,211.3 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 7.3 | 0.0 | 270.4 | 277.7 |
| Proposed budget increases: | | | | |
| -Fund 11 PFTs established in FY2001 to support the increased CIP program | 0.0 | 0.0 | 1,014.1 | 1,014.1 |
| FY2003 Governor | 419.9 | 0.0 | 12,083.2 | 12,503.1 |

Central Design and Engineering Services

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|--------------------------------|-------------------|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 144 | 155 | Annual Salaries | 8,960,988 |
| Part-time | 11 | 11 | COLA | 220,184 |
| Nonpermanent | 0 | 0 | Premium Pay | 180,733 |
| | | | Annual Benefits | 3,219,552 |
| | | | Less 6.00% Vacancy Factor | (755,057) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 155 | 166 | Total Personal Services | 11,826,400 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|------------|-----------|----------|----------|------------|
| Administrative Assistant | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk II | 5 | 0 | 0 | 0 | 5 |
| Administrative Clerk III | 4 | 0 | 0 | 0 | 4 |
| Administrative Supervisor | 1 | 0 | 0 | 0 | 1 |
| Drafting Technician III | 15 | 0 | 0 | 0 | 15 |
| Eng Tech Journey | 1 | 0 | 0 | 0 | 1 |
| Engineer/Architect I | 16 | 0 | 0 | 0 | 16 |
| Engineer/Architect II | 8 | 0 | 0 | 0 | 8 |
| Engineer/Architect III | 7 | 0 | 0 | 0 | 7 |
| Engineer/Architect IV | 3 | 0 | 0 | 0 | 3 |
| Engineer/Architect V | 1 | 0 | 0 | 0 | 1 |
| Engineering Assistant I | 6 | 0 | 0 | 0 | 6 |
| Engineering Assistant II | 19 | 0 | 0 | 0 | 19 |
| Engineering Assistant III | 18 | 0 | 0 | 0 | 18 |
| Engineering Associate | 4 | 0 | 0 | 0 | 4 |
| Environmental Analyst II | 6 | 0 | 0 | 0 | 6 |
| Environmental Analyst III | 3 | 0 | 0 | 0 | 3 |
| Environmental Coordinator | 1 | 0 | 0 | 0 | 1 |
| Land Surveyor I | 4 | 0 | 0 | 0 | 4 |
| Land Surveyor II | 1 | 0 | 0 | 0 | 1 |
| Right of Way Agent I | 4 | 0 | 0 | 0 | 4 |
| Right of Way Agent II | 6 | 0 | 0 | 0 | 6 |
| Right of Way Agent III | 11 | 0 | 0 | 0 | 11 |
| Right of Way Agent IV | 3 | 0 | 0 | 0 | 3 |
| Right of Way Agent VI | 1 | 0 | 0 | 0 | 1 |
| Right of Way Assistant | 3 | 0 | 0 | 0 | 3 |
| Survey Instrum Tech II | 1 | 0 | 0 | 0 | 1 |
| Survey Instrum Tech Tne | 1 | 0 | 0 | 0 | 1 |
| Survey Journey | 3 | 0 | 0 | 0 | 3 |
| Survey Lead | 3 | 0 | 0 | 0 | 3 |
| Survey Sub Journey II | 3 | 0 | 0 | 0 | 3 |
| Tech Eng I / Architect I | 3 | 0 | 0 | 0 | 3 |
| Totals | 166 | 0 | 0 | 0 | 166 |

Component: Northern Design and Engineering Services

Contact: Michael L. Downing, P.E., Chief Engineer

Tel: (907) 465-2960 **Fax:** (907) 465-2460 **E-mail:** Michael_Downing@dot.state.ak.us

Component Mission

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Component Services Provided

A full suite of design services is provided in the regional offices: preliminary design and environmental, traffic and safety, materials, surveying, right-of-way, utilities, and design. Each project is taken from the planning stage to final preparation of plans, specifications and estimates, and technical assistance is provided during construction. Environmental compliance services are provided during construction, maintenance and operations of facilities. Design assistance, traffic speed studies, accident analysis, hydrological studies, materials testing, surveying, and the processing of utility, right-of-way and traffic permits are also provided to other state and federal agencies, local governments and the public.

Component Goals and Strategies

- To develop projects in the capital budget according to the timing and at the funding levels contained in the Department's planning documents and to ensure that the division is capable of producing at least fifty percent of the design work necessary for the program. Retaining the in-house ability to perform the core functions of project delivery enables the department to respond to needs rapidly and is necessary to effectively manage consultants performing these same functions.
- Use consultants to provide specialized technical services such as photogrammetry, design of corrosion protection, hydrology, underwater inspections and environmental site assessments.
- Continue to develop positive working relationships with resource agencies that issue permits for Department projects such as the Corps of Engineers, U.S. Fish and Wildlife, the Department of Fish and Game, the Department of Environmental Conservation, the Environmental Protection Agency, and others.
- Participate in the development of the Department's planning documents so that the resulting scope, schedule and budget are consistent with good engineering practices and practical to implement.
- Further implement management reporting systems for projects to improve the coordination of resources, priorities, cost, scope and standards.
- Provide the following technical services: design assistance; traffic speed studies; permits; bridge inspections; materials testing; the processing of utility, right-of-way and traffic permits; preparation of environmental documents.
- Assist the public and businesses with permits for right-of-way use, utilities, lane closures, special events, driveways and signs in an efficient and service-oriented manner.

Key Component Issues for FY2002 – 2003

- Section 1309 of the Transportation Equity Act for the 21st Century calls for a coordinated environmental review process to expedite federal highway and transit projects. Environmental streamlining efforts are underway nationwide. Negotiations for the state's streamlining agreements must take place to reflect Alaska's unique conditions. The initiative has two major areas of emphasis: protecting and enhancing environmental quality and reducing project delays.
- The Division's right-of-way (ROW) activities are time consuming, expensive and often on the critical path for project delivery. The Department is continuing our efforts to streamline the ROW procedures; moving much of the property management information into a statewide database; developing on-line applications for permits; amending the

regulations related to ROW and permitting and developing new ways of contracting for consultant assistance with the ROW program.

- The Department continues to support various methods to reduce pavement rutting. The Division is responsible for improved pavement designs and providing technical assistance to the legislature on bills related to studded tire wear.
- As the Division continues to increase reliance on private sector consultants, services previously provided by just Division staff must be looked at for possible private sector contracting. The negotiation and acquisition of land under eminent domain, utility relocation agreements, deep foundation drilling are examples of services that need to be contracted with a careful and cautious approach.

Major Component Accomplishments in 2001

- The Division delivered a comprehensive program of bid ready designs and contract documents for projects across the state. The Division's performance placed the Department in a position to receive an additional \$ 2.2 million in Federal Highway Administration funding, compared to an additional \$1.5 million in FY2000. The additional funds were available because other states were not as well prepared and were unable to obligate their full allocation of federal-aid.

Statutory and Regulatory Authority

AS 02.15, AS 08.48, AS 08.87, AS 19, AS 34.60, AS 35, AS 36, AS 44.42, AS 44.62, 17 AAC 15, CFR 14 Aeronautics, CFR 15 Environment, CFR 16 Environment, CFR 23 Highways, CFR 33 Environment, CFR 41 Contracts, CFR 42 Environment/ADA, CFR 43 Lands, CFR 49 Transportation.

Northern Design and Engineering Services

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 8,674.8 | 9,386.0 | 10,006.4 |
| 72000 Travel | 16.4 | 31.4 | 31.4 |
| 73000 Contractual | 163.8 | 173.6 | 173.6 |
| 74000 Supplies | 141.3 | 148.2 | 148.2 |
| 75000 Equipment | 20.3 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 9,016.6 | 9,739.2 | 10,359.6 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 131.7 | 144.6 | 149.9 |
| 1005 General Fund/Program Receipts | 97.2 | 121.2 | 121.2 |
| 1007 Inter-Agency Receipts | 114.9 | 84.2 | 86.1 |
| 1053 Investment Loss Trust Fund | 4.1 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 8,602.0 | 9,303.0 | 9,916.2 |
| 1108 Statutory Designated Program Receipts | 66.7 | 86.2 | 86.2 |
| Funding Totals | 9,016.6 | 9,739.2 | 10,359.6 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 114.9 | 84.2 | 84.2 | 86.1 | 86.1 |
| General Fund Program Receipts | 51060 | 97.2 | 121.2 | 121.2 | 121.2 | 121.2 |
| Statutory Designated Program Receipts | 51063 | 66.7 | 86.2 | 86.2 | 86.2 | 88.5 |
| Capital Improvement Project Receipts | 51200 | 8,602.0 | 9,303.0 | 9,303.0 | 9,916.2 | 9,916.2 |
| Restricted Total | | 8,880.8 | 9,594.6 | 9,594.6 | 10,209.7 | 10,212.0 |
| Total Estimated Revenues | | 8,880.8 | 9,594.6 | 9,594.6 | 10,209.7 | 10,212.0 |

Northern Design and Engineering Services

Proposed Changes in Levels of Service for FY2003

Last year the Department received increase federal funding for highways, \$80 million in two special appropriations, and a substantial increase, \$60 million, in the FAA Airport Improvement Program. The high level of federal funding, plus more special appropriations, is expected to continue. Congress may add funds for security purposes and as part of an economic stimulus package. Changes to service levels are driven by congressional appropriations and may require additional resources in order to deliver the projects funded. The division has added additional engineering positions to accomodate recent growth in federal programs.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 265.8 | 0.0 | 9,473.4 | 9,739.2 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 5.3 | 0.0 | 245.1 | 250.4 |
| Proposed budget increases: | | | | |
| -Fund 5 PFTs established in FY2001 to support the increased CIP program | 0.0 | 0.0 | 370.0 | 370.0 |
| FY2003 Governor | 271.1 | 0.0 | 10,088.5 | 10,359.6 |

Northern Design and Engineering Services

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|-------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 114 | 119 | Annual Salaries | 7,448,258 |
| Part-time | 16 | 14 | COLA | 193,099 |
| Nonpermanent | 0 | 0 | Premium Pay | 268,976 |
| | | | Annual Benefits | 2,624,688 |
| | | | Less 5.02% Vacancy Factor | (528,621) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 130 | 133 | Total Personal Services | 10,006,400 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|-----------|------------|----------|----------|------------|
| Administrative Assistant | 0 | 1 | 0 | 0 | 1 |
| Administrative Clerk II | 0 | 7 | 0 | 0 | 7 |
| Administrative Clerk III | 0 | 1 | 0 | 0 | 1 |
| Drafting Technician III | 0 | 7 | 0 | 0 | 7 |
| Driller Journey | 0 | 3 | 0 | 0 | 3 |
| Driller Sub Journey | 0 | 2 | 0 | 0 | 2 |
| Engineer/Architect I | 0 | 12 | 0 | 1 | 13 |
| Engineer/Architect II | 0 | 5 | 0 | 1 | 6 |
| Engineer/Architect III | 0 | 7 | 0 | 0 | 7 |
| Engineer/Architect IV | 0 | 2 | 0 | 0 | 2 |
| Engineer/Architect V | 0 | 1 | 0 | 0 | 1 |
| Engineering Assistant I | 0 | 5 | 0 | 0 | 5 |
| Engineering Assistant II | 0 | 6 | 0 | 2 | 8 |
| Engineering Assistant III | 0 | 16 | 0 | 4 | 20 |
| Engineering Associate | 0 | 2 | 0 | 0 | 2 |
| Engineering Geologist II | 0 | 4 | 0 | 0 | 4 |
| Engineering Geologist IV | 0 | 1 | 0 | 0 | 1 |
| Environmental Analyst II | 0 | 6 | 0 | 0 | 6 |
| Environmental Analyst III | 0 | 3 | 0 | 0 | 3 |
| Environmental Coordinator | 0 | 1 | 0 | 0 | 1 |
| Land Surveyor I | 0 | 2 | 0 | 0 | 2 |
| Land Surveyor II | 0 | 1 | 0 | 0 | 1 |
| Right of Way Agent I | 0 | 1 | 0 | 0 | 1 |
| Right of Way Agent II | 0 | 4 | 0 | 0 | 4 |
| Right of Way Agent III | 0 | 7 | 0 | 0 | 7 |
| Right of Way Agent IV | 0 | 3 | 0 | 0 | 3 |
| Right of Way Agent VI | 0 | 1 | 0 | 0 | 1 |
| Right of Way Assistant | 0 | 1 | 0 | 0 | 1 |
| Survey Journey | 0 | 3 | 0 | 0 | 3 |
| Survey Lead | 0 | 2 | 0 | 1 | 3 |
| Survey Sub Journey II | 0 | 4 | 0 | 0 | 4 |
| Tech Eng I / Architect I | 0 | 3 | 0 | 0 | 3 |
| Totals | 0 | 124 | 0 | 9 | 133 |

Component: Southeast Design and Engineering Services

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Component Mission

The mission of Design and Engineering Services is to develop projects that improve Alaska's transportation and public facilities infrastructure. The Division also provides a wide range of technical services to the Department, other state and federal agencies, local governments and the public.

Component Services Provided

A full suite of design services is provided in the Regional offices: preliminary design and environmental, traffic and safety, materials, surveying, right-of-way, utilities, and design. Each project is taken from the planning stage to final preparation of plans, specifications and estimates, and technical assistance is provided during construction. Environmental compliance services are provided during construction, maintenance and operations of facilities. Design assistance, traffic speed studies, accident analysis, hydrological studies, materials testing, surveying, and the processing of utility, right-of-way and traffic permits are also provided to other state and federal agencies, local governments and the public.

Component Goals and Strategies

- To develop projects in the capital budget according to the timing and at the funding levels contained in the Department's planning documents and to ensure that the division is capable of producing at least fifty percent of the design work necessary for the program. Retaining the in-house ability to perform the core functions of project delivery enables the department to respond to needs rapidly and is necessary to effectively manage consultants performing these same functions.
- Use consultants to provide specialized technical services such as photogrammetry, design of corrosion protection, hydrology, underwater inspections and environmental site assessments.
- Continue to develop positive working relationships with resource agencies that issue permits for Department projects such as the Corps of Engineers, U.S. Fish and Wildlife, the Department of Fish and Game, the Department of Environmental Conservation, the Environmental Protection Agency, and others.
- Participate in the development of the Department's planning documents so that the resulting scope, schedule and budget are consistent with good engineering practices and practical to implement.
- Further implement management reporting systems for projects to improve the coordination of resources, priorities, cost, scope and standards.
- Provide the following technical services: design assistance; traffic speed studies; permits; bridge inspections; materials testing; the processing of utility, right-of-way and traffic permits; preparation of environmental documents.
- Assist the public and businesses with permits for right-of-way use, utilities, lane closures, special events, driveways and signs in an efficient and service-oriented manner.

Key Component Issues for FY2002 – 2003

- Section 1309 of the Transportation Equity Act for the 21st Century calls for a coordinated environmental review process to expedite federal highway and transit projects. Environmental streamlining efforts are underway nationwide. Negotiations for the state's streamlining agreements must take place to reflect Alaska's unique conditions. The initiative has two major areas of emphasis: protecting and enhancing environmental quality and reducing project delays.
- The Division's right-of-way (ROW) activities are time consuming, expensive and often on the critical path for project delivery. The Department is continuing efforts to streamline the ROW procedures; moving much of the property management information into a statewide database; developing on-line applications for permits; amending the

regulations related to ROW and permitting and developing new ways of contracting for consultant assistance with the ROW program.

- The Department continues to support various methods to reduce pavement rutting. The Division is responsible for improved pavement designs and providing technical assistance to the legislature on bills related to studded tire wear.
- As the Division continues to increase reliance on private sector consultants, services previously provided by just Division staff must be looked at for possible private sector contracting. The negotiation and acquisition of land under eminent domain, utility relocation agreements, deep foundation drilling are examples of services that need to be contracted with a careful and cautious approach.

Major Component Accomplishments in 2001

- The Division delivered a comprehensive program of bid ready designs and contract documents for projects across the state. The Division's performance placed the Department in a position to receive an additional \$ 2.2 million in Federal Highway Administration funding, compared to an additional \$1.5 million in FY2000. The additional funds were available because other states were not as well prepared and were unable to obligate their full allocation of federal-aid.

Statutory and Regulatory Authority

AS 02.15, AS 08.48, AS 08.87, AS 19, AS 34.60, AS 35, AS 36, AS 44.42, AS 44.62, 17 AAC 15, CFR 14 Aeronautics, CFR 15 Environment, CFR 16 Environment, CFR 23 Highways, CFR 33 Environment, CFR 41 Contracts, CFR 42 Environment/ADA, CFR 43 Lands, CFR 49 Transportation.

Southeast Design and Engineering Services

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 5,489.3 | 5,480.5 | 5,862.9 |
| 72000 Travel | 9.7 | 34.3 | 34.3 |
| 73000 Contractual | 138.0 | 206.2 | 206.2 |
| 74000 Supplies | 224.6 | 260.9 | 260.9 |
| 75000 Equipment | 30.8 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 5,892.4 | 5,981.9 | 6,364.3 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 238.9 | 246.7 | 252.9 |
| 1005 General Fund/Program Receipts | 48.4 | 81.4 | 81.4 |
| 1007 Inter-Agency Receipts | 54.7 | 30.9 | 32.2 |
| 1053 Investment Loss Trust Fund | 5.4 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 5,489.6 | 5,427.3 | 5,802.2 |
| 1108 Statutory Designated Program Receipts | 55.4 | 195.6 | 195.6 |
| Funding Totals | 5,892.4 | 5,981.9 | 6,364.3 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 54.7 | 30.9 | 30.9 | 32.2 | 32.2 |
| General Fund Program Receipts | 51060 | 48.4 | 81.4 | 81.4 | 81.4 | 81.4 |
| Statutory Designated Program Receipts | 51063 | 55.4 | 195.6 | 195.6 | 195.6 | 195.6 |
| Capital Improvement Project Receipts | 51200 | 5,489.6 | 5,427.3 | 5,427.3 | 5,802.2 | 5,802.2 |
| Restricted Total | | 5,648.1 | 5,735.2 | 5,735.2 | 6,111.4 | 6,111.4 |
| Total Estimated Revenues | | 5,648.6 | 5,735.2 | 5,735.2 | 6,111.4 | 6,111.4 |

Southeast Design and Engineering Services

Proposed Changes in Levels of Service for FY2003

Last year the Department received increase federal funding for highways, \$80 million in two special appropriations, and a substantial increase, \$60 million, in the FAA Airport Improvement Program. The high level of federal funding, plus more special appropriations, is expected to continue. Congress may add funds for security purposes and as part of an economic stimulus package. Changes to service levels are driven by congressional appropriations and may require additional resources in order to deliver the projects funded. The division has added additional engineering positions to accomodate recent growth in federal programs.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 328.1 | 0.0 | 5,653.8 | 5,981.9 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 6.2 | 0.0 | 141.4 | 147.6 |
| Proposed budget increases: | | | | |
| -Fund 2 PFTs established in FY2001 to support the increased CIP program | 0.0 | 0.0 | 234.8 | 234.8 |
| FY2003 Governor | 334.3 | 0.0 | 6,030.0 | 6,364.3 |

Southeast Design and Engineering Services

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 68 | 71 | Annual Salaries | 4,406,709 |
| Part-time | 7 | 7 | COLA | 116,734 |
| Nonpermanent | 0 | 0 | Premium Pay | 147,792 |
| | | | Annual Benefits | 1,565,896 |
| | | | Less 6.00% Vacancy Factor | (374,228) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 75 | 78 | Total Personal Services | 5,862,903 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|----------------------------|-----------|-----------|-----------|----------|-----------|
| Administrative Assistant | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk III | 0 | 0 | 3 | 0 | 3 |
| Drafting Technician I | 0 | 0 | 1 | 0 | 1 |
| Drafting Technician II | 0 | 0 | 1 | 0 | 1 |
| Drafting Technician III | 0 | 0 | 4 | 0 | 4 |
| Eng Tech Sub Journey III | 0 | 0 | 2 | 0 | 2 |
| Engineer/Architect I | 0 | 0 | 4 | 0 | 4 |
| Engineer/Architect II | 0 | 0 | 1 | 0 | 1 |
| Engineer/Architect III | 0 | 0 | 6 | 0 | 6 |
| Engineer/Architect IV | 0 | 0 | 3 | 0 | 3 |
| Engineer/Architect V | 0 | 0 | 1 | 0 | 1 |
| Engineering Assistant I | 0 | 0 | 1 | 0 | 1 |
| Engineering Assistant II | 0 | 0 | 7 | 0 | 7 |
| Engineering Assistant III | 0 | 0 | 4 | 0 | 4 |
| Engineering Associate | 0 | 0 | 5 | 0 | 5 |
| Engineering Geologist II | 0 | 0 | 1 | 0 | 1 |
| Engineering Geologist III | 0 | 0 | 1 | 0 | 1 |
| Environmental Analyst II | 0 | 0 | 2 | 0 | 2 |
| Environmental Analyst III | 0 | 0 | 2 | 0 | 2 |
| Environmental Coordinator | 0 | 0 | 1 | 0 | 1 |
| Land Surveyor I | 0 | 0 | 1 | 0 | 1 |
| Matlab Tech Journey | 0 | 0 | 1 | 0 | 1 |
| Matlab Tech Sub Journey IV | 0 | 0 | 1 | 0 | 1 |
| Micro/Network Spec I | 0 | 0 | 2 | 0 | 2 |
| Micro/Network Tech I | 0 | 0 | 1 | 0 | 1 |
| Right of Way Agent II | 0 | 0 | 1 | 0 | 1 |
| Right of Way Agent III | 0 | 0 | 6 | 0 | 6 |
| Right of Way Agent IV | 0 | 0 | 2 | 0 | 2 |
| Right of Way Agent VI | 0 | 0 | 1 | 0 | 1 |
| Right of Way Assistant | 0 | 0 | 1 | 0 | 1 |
| Survey Journey | 0 | 0 | 2 | 0 | 2 |
| Survey Lead | 0 | 0 | 2 | 0 | 2 |
| Tech Eng I / Architect I | 0 | 0 | 6 | 0 | 6 |
| Totals | 0 | 0 | 78 | 0 | 78 |

Construction and CIP Support Budget Request Unit

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BRU Mission

The mission of the Construction and CIP Support division is to improve the transportation system in Alaska and protect the health and safety of the people of Alaska by constructing safe, environmentally sound, reliable and cost effective highways, airports, harbors, docks, and buildings.

BRU Services Provided

Each Construction and CIP Support component reports to a different region, and the services provided may vary from region to region. The following information is typical of services provided. See individual components for detail.

Construction Branch: Administers construction contracts, provides field inspection and construction oversight, provides quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects, and reports Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.

Contracts Branch: The Construction Contract Unit reviews construction documents, provides bid packages, advertises and awards contracts, prepares certified bid tabulations, and helps resolve bidding disputes. The Professional Services Agreement Unit coordinates, solicits, selects, prepares and administers Professional Services agreements.

Project Control Branch: Coordinates and programs project funding, administers state and federal grants, provides engineering management support, prepares and manages the component's operating budget, develops, enhances, maintains Oracle management reporting system for capital projects, provides regional network administration and desktop computer support, and processes time and equipment charges to projects.

BRU Goals and Strategies

To improve the transportation system and public facilities in Alaska:

- Advertise, award, and administer construction contracts for roads, airports, and facilities efficiently and in accordance with department policies and procedures.
- Construct and complete all projects on time and within budget.
- Prepare project documentation and provide construction administration in conformance with all laws, regulations, and requirements to ensure continuing federal funding.

To protect the health and safety of the people of Alaska:

- Ensure Americans with Disabilities Act (ADA) requirements are incorporated into all projects.

Identify and correct existing safety related problems on road and facilities projects.

Key BRU Issues for FY2002 – 2003

TEA-21 has increased the level of Federal Highway Administration (FHWA) funds nationwide, creating competition across the country for trained and experienced engineering personnel. The State's salary levels for engineers have made it difficult to hire and retain experienced personnel, however wages were recently increased for many of our engineers and we are still waiting to see how effective that action was.

Increased security measures at airports will involve a more detailed and costly screening process prior to security badges being issued for all personnel that work on the airport. This will involve all state personnel assigned to airport projects, as well as contractors. Construction staff will probably be required to attend a more in depth training process before working in and around the airport. Access to the airport by construction equipment will be restricted to specific secured gates that will need to be manned by state or contractor personnel at all times during the work day. The construction of heated, portable guard stations may be necessary.

The department jointly with the FHWA and the FAA created a task force to streamline the closeout process. The task force developed consistency in several aspects of FHWA and FAA closure paperwork, implementing a tracking system and notification system to ensure the priority of closing out projects. The task force eliminated documentation required by the Right of Way section that was redundant. There is an on going commitment to paperwork reduction and improved processes.

Major BRU Accomplishments in 2001

- Received \$208.1 million in federal highway construction authorization in FFY01.
- Received \$100.3 million in federal aviation authorization in FFY00 for construction.
- Awarded contracts for \$11.9 million in International Airport Revenue Fund, general fund, and reimbursable projects in FY01.
- Paved 286.4 lane miles of gravel road.

Emphasized safety awareness through greater communication with public, through various forms of media (public exhibits, workshops, newspaper advertisements). The Department entered into local police departments for officer presence at construction sites during peak traffic hours, enforcing compliance with speed limits.

Key Performance Measures for FY2003

Measure:

Percentage of the total construction costs that were spent on contract administration.
Sec 145(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The percentage of contract administration costs for closed projects during FY01 were as follows:

| | Highways | Aviation |
|------------------|----------|----------|
| Central Region | 14.6% | 11.0% |
| Northern Region | 14.7% | 25.7% |
| Southeast Region | 12.5% | 27.8% |

Southeast Region's Aviation percentage only reflects 3 closed out projects, one of which was a consultant administered project. That causes the number to be high. The overall percentage for that region is below 15%, because many more highway projects were closed than aviation projects.

Benchmark Comparisons:

There is no established benchmark at this time. However, up until recently the FHWA had a benchmark of 15%, which has been considered an industry standard.

Background and Strategies:

This measure can only be accurately determined after the project is closed and all project charges are accounted for. The Department closed out 105 projects during FY01. Historically, contract administration costs run at about 14.5%. The high percentage recorded in FY01 is caused by closed projects not representing the typical size and complexity of projects normally closed out in a year.

This measure is always a challenge because of the remoteness of most of the projects (increasing travel and transportation costs), and because the requirements of the federal funding agencies and the expectations of the traveling public tend to increase over time. All of these factors drive administrative costs up. This measure will change from year to year based on the type and size of projects completed. Small urban projects may require the same level of oversight, i.e. staff, as large rural projects. Projects that consist primarily of asphalt paving are typically completed in a short time resulting in low engineering costs compared to the contract value. The need to supplement regional staff with consultants will have a direct impact on future construction engineering costs.

In FY02, a Statewide task force of members from DOT&PF in conjunction with FHWA and FAA developed a method to streamline the closeout process of federal projects. This should further reduce contract administration costs. We are also continuing the effort to reduce our contract administration costs by utilizing staff as efficiently as possible, for example using one construction engineer to manage multiple small projects, thus reducing the engineering costs for each individual project.

Measure:

Percentage of the total construction costs that were spent on change orders.
Sec 145(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The percentage of change order costs for closed projects during FY01 were as follows:

| | <u>Highways</u> | <u>Aviation</u> |
|------------------|-----------------|-----------------|
| Central Region | 5.7% | 5.6% |
| Northern Region | 6.3% | 7.0% |
| Southeast Region | 5.8% | 5.0% |

Benchmark Comparisons:

There is no established benchmark at this time. However, past internal policy was to keep total contract adjustments, including change orders and quantity overruns, at less than 10%.

Background and Strategies:

This measure can only be accurately determined after the project is closed and all project charges are accounted for. Historically, total contract adjustments, including change orders and quantity overruns, run at about 5.4%.

This measure is always a challenge because: 1) efforts to reduce design costs inevitably result in an increase in construction change order costs and quantity overruns; 2) local governments, utilities, and maintenance forces often don't recognize needed enhancements or utility adjustments until the projects are underway; and 3) upper management sometimes isn't aware of opportunities for enhancements until the projects are under construction. All of these factors are beyond the control of this construction program.

Measure:

The number of miles of gravel roads that are surfaced with chip seal, hot mix, or high float asphalt for the first time, reported regionally.

Sec 149(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The number of lane miles of gravel road surfaced with chip seal, hot mix or high float asphalt for the first time during FY01 is as follows:

| | by Highways & Aviation | by Construction | Total (lane miles) |
|------------------|---------------------------|-----------------|--------------------|
| Central Region | 32 | 40 | 72 |
| Northern Region | 8 | 236.4 | 244.4 |
| Southeast Region | 5 | 10 | 15 |
| TOTAL | 45 | 286.4 | 331.4 |

Benchmark Comparisons:

We are unaware of any specific benchmark at this time. Number of miles of roads that are surfaced is dependent upon amount of funds budgeted through the STIP.

Background and Strategies:

The Road Paving Program established in State Fiscal Year 99 implements the Administration's goal of reducing maintenance costs and improving the quality of life for Alaskans by hard surfacing state owned/maintained Non

National Highway System (NHS) gravel roads, as well as those NHS roads also identified under the Statewide Transportation Improvement Program (STIP). The scope of this work represents limited shoulder work, drainage and other work related to preserving the road structure. This is an extremely important program and will provide great benefit to many Alaskans. The Department of Transportation and Public Facilities also benefits directly from this program through reduced maintenance costs. Roads are selected for this program based on cost, condition of the roads, and traffic levels.

Measure:

The total construction cost of the annual highway and aviation programs should be within 5% of the contract bid amount.

Alaska's Target & Progress:

Out of a representative random sample of 105 projects completed in FY01, the total percentage change from contract bid to completion was approximately 6.1%. This is an improvement over FY00, which was 7%. Central Region Construction and CIP Support reported for FY01 an aggregate percentage change from contract bid to final contract of 2.4%.

Benchmark Comparisons:

No benchmark is known. A review of other states will be conducted to determine if similar information is collected and used for management purposes.

Background and Strategies:

Currently, the department is working on over 441 active construction projects that span several construction seasons. Significant to the cost of urban projects are traffic maintenance costs necessary for a project to have a minimal impact on the travelling public, heavy public input during the construction of a project, and safety, pedestrian, and environmental considerations. Scope changes during construction are rare, and are undertaken only where there is a substantial advantage to the public, the potential of a significant lost opportunity, a safety consideration and/or a major environmental issue.

Contracts allow specific relief for changed conditions that could not be foreseen, forces of nature, and/or unusually severe weather. Due to these factors, specific projects will occasionally have cost overruns. To decrease contract overruns, some combination of the following is necessary: improve estimating quantities in bid documents, make more field changes that reduce quantities and costs, make fewer field changes that increase quantities or cost, or decline performing extra work requested by others (e.g., local governments, other agencies).

It is also important to note that because large-dollar projects generally take longer to build and usually have more significant environmental and community impacts than the majority of federal-aid highway projects, they have greater potential to experience substantial cost increases and lengthy construction delays. The Public Facilities Branch typically provides design and construction administration services for other state client agencies. During the course of construction these client agencies may direct additional work be performed, making the stated performance measure out of the control of Department personnel.

Construction and CIP Support
BRU Financial Summary by Component

All dollars in thousands

| | FY2001 Actuals | | | | FY2002 Authorized | | | | FY2003 Governor | | | |
|----------------------------|------------------|------------------|-----------------|-----------------|-------------------|------------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| Central | 254.5 | 0.0 | 11,849.2 | 12,103.7 | 255.6 | 0.0 | 13,660.0 | 13,915.6 | 258.5 | 0.0 | 15,018.6 | 15,277.1 |
| Construction & CIP | | | | | | | | | | | | |
| Northern | 309.5 | 0.0 | 10,002.0 | 10,311.5 | 309.1 | 0.0 | 11,143.0 | 11,452.1 | 413.0 | 0.0 | 11,788.0 | 12,201.0 |
| Construction & CIP | | | | | | | | | | | | |
| Southeast | 176.9 | 0.0 | 4,756.2 | 4,933.1 | 178.2 | 0.0 | 4,224.7 | 4,402.9 | 182.7 | 0.0 | 4,485.0 | 4,667.7 |
| Region Construction | | | | | | | | | | | | |
| Totals | 740.9 | 0.0 | 26,607.4 | 27,348.3 | 742.9 | 0.0 | 29,027.7 | 29,770.6 | 854.2 | 0.0 | 31,291.6 | 32,145.8 |

Construction and CIP Support**Proposed Changes in Levels of Service for FY2003**

Last year the Department received increase federal funding for highways, \$80 million in two special appropriations, and a substantial increase, \$60 million, in the FAA Airport Improvement Program. The high level of federal funding, plus more special appropriations, is expected to continue. Congress may add funds for security purposes and as part of an economic stimulus package. Changes to service levels are driven by congressional appropriations and may require additional resources in order to deliver the projects funded. The department has added additional engineering positions to accomodate recent and anticipated growth in federal programs.

Construction and CIP Support**Summary of BRU Budget Changes by Component****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 742.9 | 0.0 | 29,027.7 | 29,770.6 |
| Adjustments which will continue current level of service: | | | | |
| -Central Construction & CIP | 2.9 | 0.0 | 340.2 | 343.1 |
| -Northern Construction & CIP | 3.9 | 0.0 | 221.5 | 225.4 |
| -Southeast Region Construction | 4.5 | 0.0 | 105.3 | 109.8 |
| Proposed budget increases: | | | | |
| -Central Construction & CIP | 0.0 | 0.0 | 1,018.4 | 1,018.4 |
| -Northern Construction & CIP | 100.0 | 0.0 | 423.5 | 523.5 |
| -Southeast Region Construction | 0.0 | 0.0 | 155.0 | 155.0 |
| FY2003 Governor | 854.2 | 0.0 | 31,291.6 | 32,145.8 |

Component: Central Region Construction and CIP Support

Contact: Gordon C. Keith, Director, Construction and Operations

Tel: (907) 269-0780 **Fax:** (907) 248-1573 **E-mail:** Gordon_Keith@dot.state.ak.us

Component Mission

The mission of the Construction and CIP Support division is to improve the transportation system in Alaska and protect the health and safety of the people of Alaska by constructing safe, environmentally sound, reliable and cost effective highways, airports, harbors, docks, and buildings.

Component Services Provided

Director's Office: Division general management.

Construction Branch: Administers construction contracts, provides field inspection and construction oversight, provides quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects, and reports Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.

Contracts Branch: The Construction Contract Unit reviews construction documents, provides bid packages, advertises and awards contracts, prepares certified bid tabulations, and helps resolve bidding disputes. The Professional Services Agreement Unit coordinates, solicits, selects, prepares and administers Professional Services agreements.

TSAIA Terminal Redevelopment Branch: Provides facility planning, develops project designs, administers and inspects construction contract work, provides finance planning and assists in the issuance of bonds, develops and implements cost and schedule controls, and provides overall program management for the redevelopment of the Ted Stevens Anchorage International Airport terminal and associated airside and road improvements.

Project Control Branch: Coordinates and programs project funding, administers state and federal grants, provides engineering management support, prepares and manages the component's operating budget, develops, enhances, maintains Oracle management reporting system for capital projects, provides regional network administration and desktop computer support, and processes time and equipment charges to projects. Provides departmental and intra-departmental mail services that entails processing and distributing incoming and outgoing mail to all state offices on a daily basis.

Public Facilities Branch: Plans facilities, programs projects, and provides cost estimate and management services necessary to design, construct, renovate, or repair state owned public facilities.

Component Goals and Strategies

To improve the transportation system and public facilities in Alaska:

- Advertise, award, and administer construction contracts for roads, airports, and facilities efficiently and in accordance with department policies and procedures.
- Construct and complete all projects on time and within budget.
- Monitor and forecast expenditures to assure funding is available for timely payment of contract obligations.
- Prepare project documentation and provide construction administration in conformance with all laws, regulations, and requirements to ensure continued federal funding.
- Plan, design, construct, renovate, and repair public facilities managed by other state agencies to meet their respective needs and objectives.
- Transfer ownership of applicable roads and facilities to local governments upon completion of construction improvements.
- Improve the National Highway System corridor to Ted Stevens Anchorage International Airport as part of the Gateway Alaska project.

- Correct existing code deficiencies and perform seismic retrofitting of bridges.
- Expand Ted Stevens Anchorage International Airport to bring the terminal up to current safety standards, alleviate congestion and accommodate increasing passenger demand.

To protect the health and safety of the people of Alaska:

- Ensure Americans with Disabilities Act (ADA) requirements are incorporated into all projects.
- Identify and correct existing safety related problems on road and facilities projects.
- Utilize appropriate "double fine" construction zones, use vehicle speed awareness equipment, and contract for increased enforcement through the Alaska State Troopers and the Anchorage Police Department in construction work sites.
- Inform the public of road closures and construction delays by posting "Southcentral Navigator" and other special construction advisories in newspapers, on television, and on the department's web-site.

Provide general management and administrative support:

- Provide timely public notice for bidding and contracting opportunities through the use of the department's web-site and other formal advertisements.
- Coordinate the consultant selection process to facilitate contracting for design and construction services as quickly and cost effectively as possible.
- Advise and train project managers concerning funding requirements and rules to ensure all federal and state financial and project development guidelines are followed.

Key Component Issues for FY2002 – 2003

- The increased level of Federal Highway Administration (FHWA) funds nationwide has created competition across the country for trained and experienced engineering personnel. Increased demand for consultant services to provide construction administration has strained the available talent pool utilized by the consultants. Increased workload is making it hard to perform certain administrative tasks with current staffing levels.
- Deferred maintenance needs continue to increase at state facilities due to lack of capital funding and fewer available operating resources for vital preventative and routine maintenance tasks.

Major Component Accomplishments in 2001

- Received \$ 139.3 million in federal highway construction authorization in FFY01.
- Received \$59.0 million in federal aviation authorization in FFY01, of which the majority was allocated to the construction phase.
- Awarded contracts for \$1.7 million in International Airport Revenue Fund, general fund, and reimbursable projects in FY01.
- Completed runway, taxiway, lighting, and safety improvements at rural airports in Akiak, Atmautluak, Bethel, Eek, King Salmon, McGrath and Unalaska.
- Continued work on the TSAIA Terminal Redevelopment Project including completion of structural steel placement for Concourse C. Construction of roadway improvements continues with Federal Highway Administration, Alaska Airport Revenue and Alaska Railroad Funding. This includes construction of a railroad overpass at Post Mark Drive. Completed construction of the Office of Aircraft Services (OAS) replacement building for federal Fish and Wildlife Service.
- Completed paving 20 centerline miles of gravel road in Central Region.
- Completed resurfacing 52 miles of the National Highway System (NHS) routes including the Glenn Highway Hiland Drive to Knik River, Seward Highway MP 99-101 and North Kenai Spur Road.
- Continued commitment to upgrade the National Highway System routes to meet current standards for width, grade alignment and safety with the completion of major reconstruction of the Seward Highway from MP 8-18 including a railroad grade separation at Snow River.
- Continued making safety awareness in construction traffic zones a priority by educating the public through increased use of the Changeable Message Board and publication of Alaska 2001: Highway Construction Traveler's Guide & Map; and by educating and equipping construction field staff who attend the American Traffic Safety Services Association (ATSSA) class to become Worksite Traffic Supervisors, in addition to reflective vests/rain gear that are purchased for construction workzone safety staff.

- Increased safety for pedestrians and traveling public with completion of the construction of pedestrian bridges on the Parks Highway at Little Willow Creek, Kashwitna River and Sheep Creek.
- Completed over \$1,090,000 in ADA improvements to courthouses, education facilities, correctional centers, state office buildings, ferry terminals and health centers throughout the state.
- Completed the McLaughlin Youth Center Probation office renovation, the Public Health Lab and Medical Examiners Building, renovation of Palmer Pioneer Home Raven Wing, and phase 1 roof renovations at the Anchorage Pioneer Home. Completed ticket lobby, including office and counters and new baggage handling system at the South Terminal of Ted Stevens Anchorage International Airport.
- Began work on the Parks Hwy / Glenn Highway Interchange for design/build contract.

Statutory and Regulatory Authority

AS 02 Aeronautics
AS 08 Business and Professions
AS 19 Highways and Ferries
AS 34 Property
AS 35 Public Buildings, Works
AS 36 Public Contracts
AS 44 State Government
USC CFR 14 Aeronautics
USC CFR 23 Highways
USC CFR 41 Contracts
USC CFR 43 Lands
USC CFR 49 Transportation

Central Region Construction and CIP Support

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|-----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 11,401.0 | 12,800.2 | 14,161.7 |
| 72000 Travel | 18.6 | 15.0 | 33.0 |
| 73000 Contractual | 360.7 | 700.4 | 682.4 |
| 74000 Supplies | 188.3 | 400.0 | 400.0 |
| 75000 Equipment | 135.1 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 12,103.7 | 13,915.6 | 15,277.1 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 254.5 | 255.6 | 258.5 |
| 1007 Inter-Agency Receipts | 182.4 | 454.1 | 459.5 |
| 1061 Capital Improvement Project Receipts | 11,666.8 | 13,205.9 | 14,559.1 |
| Funding Totals | 12,103.7 | 13,915.6 | 15,277.1 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|-----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 21.7 | 16.3 | 16.3 | 21.7 | 21.7 |
| Unrestricted Total | | 21.7 | 16.3 | 16.3 | 21.7 | 21.7 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 182.4 | 454.1 | 454.1 | 459.5 | 459.5 |
| Capital Improvement Project Receipts | 51200 | 11,666.8 | 13,205.9 | 13,205.9 | 14,559.1 | 14,559.1 |
| Restricted Total | | 11,849.2 | 13,660.0 | 13,660.0 | 15,018.6 | 15,018.6 |
| Total Estimated Revenues | | 11,870.9 | 13,676.3 | 13,676.3 | 15,040.3 | 15,040.3 |

Central Region Construction and CIP Support

Proposed Changes in Levels of Service for FY2003

Last year the Department received increase federal funding for highways, \$80 million in two special appropriations, and a substantial increase, \$60 million, in the FAA Airport Improvement Program. The high level of federal funding, plus more special appropriations, is expected to continue. Congress may add funds for security purposes and as part of an economic stimulus package. Changes to service levels are driven by congressional appropriations and may require additional resources in order to deliver the projects funded. The department has added additional engineering positions to accomodate recent and anticipated growth in federal programs.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 255.6 | 0.0 | 13,660.0 | 13,915.6 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 2.9 | 0.0 | 340.2 | 343.1 |
| Proposed budget increases: | | | | |
| -Add 15 positions and CIP funds for the expanded construction program due to passage of TEA-21 | 0.0 | 0.0 | 1,018.4 | 1,018.4 |
| FY2003 Governor | 258.5 | 0.0 | 15,018.6 | 15,277.1 |

Central Region Construction and CIP Support

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|-------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 132 | 151 | Annual Salaries | 9,855,252 |
| Part-time | 68 | 64 | COLA | 276,906 |
| Nonpermanent | 0 | 0 | Premium Pay | 1,072,333 |
| | | | Annual Benefits | 3,781,435 |
| | | | Less 5.50% Vacancy Factor | (824,226) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 200 | 215 | Total Personal Services | 14,161,700 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|------------|-----------|----------|-----------|------------|
| Accountant IV | 1 | 0 | 0 | 0 | 1 |
| Accounting Clerk II | 1 | 0 | 0 | 0 | 1 |
| Accounting Spvr II | 1 | 0 | 0 | 0 | 1 |
| Accounting Tech I | 1 | 0 | 0 | 0 | 1 |
| Accounting Tech II | 2 | 0 | 0 | 0 | 2 |
| Accounting Tech III | 2 | 0 | 0 | 0 | 2 |
| Administrative Assistant | 3 | 0 | 0 | 0 | 3 |
| Administrative Clerk II | 6 | 0 | 0 | 0 | 6 |
| Administrative Clerk III | 6 | 0 | 0 | 0 | 6 |
| Administrative Manager IV | 1 | 0 | 0 | 0 | 1 |
| Data Processing Mgr I | 1 | 0 | 0 | 0 | 1 |
| Director Operations | 1 | 0 | 0 | 0 | 1 |
| Division Director | 1 | 0 | 0 | 0 | 1 |
| Duplication Supervisor | 1 | 0 | 0 | 0 | 1 |
| Eng Tech Journey | 14 | 0 | 0 | 5 | 19 |
| Eng Tech Sub Journey I | 6 | 0 | 0 | 4 | 10 |
| Eng Tech Sub Journey II | 10 | 0 | 0 | 6 | 16 |
| Eng Tech Sub Journey III | 7 | 0 | 0 | 4 | 11 |
| Engineer/Architect I | 3 | 0 | 0 | 0 | 3 |
| Engineer/Architect II | 10 | 0 | 0 | 0 | 10 |
| Engineer/Architect III | 7 | 0 | 0 | 0 | 7 |
| Engineer/Architect IV | 5 | 0 | 0 | 0 | 5 |
| Engineering Assistant I | 8 | 0 | 0 | 0 | 8 |
| Engineering Assistant II | 38 | 0 | 0 | 0 | 38 |
| Engineering Assistant III | 33 | 0 | 0 | 0 | 33 |
| Engineering Associate | 10 | 0 | 0 | 0 | 10 |
| Micro/Network Spec I | 2 | 0 | 0 | 0 | 2 |
| Micro/Network Tech II | 3 | 0 | 0 | 0 | 3 |
| Offset Dup Mach Op I | 1 | 0 | 0 | 0 | 1 |
| Offset Dup Mach Op II | 1 | 0 | 0 | 0 | 1 |
| Procurement Spec I | 2 | 0 | 0 | 0 | 2 |
| Procurement Spec II | 2 | 0 | 0 | 0 | 2 |
| Procurement Spec III | 1 | 0 | 0 | 0 | 1 |
| Secretary | 1 | 0 | 0 | 0 | 1 |
| Tech Eng I / Architect I | 3 | 0 | 0 | 0 | 3 |
| Trans Planner I | 1 | 0 | 0 | 0 | 1 |
| Totals | 196 | 0 | 0 | 19 | 215 |

Component: Northern Region Construction and CIP Support

Contact: Ralph D. Swarthout, P.E., Regional Director

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Component Mission

The mission of the Construction and CIP Support division is to improve the transportation system in Alaska and protect the health and safety of the people of Alaska by constructing safe, environmentally sound, reliable and cost effective highways, airports, harbors, docks, and buildings.

Component Services Provided

Construction Branch: Administers construction contracts, provides field inspection and construction oversight, provides quality assurance that construction documentation and materials are in conformance with contract requirements during construction, provides closeout of projects, and reports Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.

Contracts Branch: Reviews CIP Project assemblies, prepares, prints and distributes bid packages, advertises and awards contracts, prepares certified bid tabulations and helps resolve bidding disputes; coordinates, solicits, selects, prepares and administers Professional Services agreements. Operates and maintains regional resource center.

Project Control Branch: Coordinates and programs project funding, administers state and federal grants, provides engineering management support, prepares and manages the component's operating budget, develops, enhances and maintains Oracle management reporting system for capital projects, provides regional network administration and desktop computer support, and processes time and equipment charges to projects.

Component Goals and Strategies

To improve the transportation system and public facilities in Alaska:

- Advertise, award, and administer construction contracts for roads, airports, and facilities efficiently and in accordance with department policies and procedures.
- Construct and complete all projects on time and within budget.
- Monitor and forecast expenditures to assure funding is available for timely payment of contract obligations.
- Prepare project documentation and provide construction administration in conformance with all laws, regulations, and requirements to ensure continuing federal funding.
- Transfer ownership of applicable roads and facilities to local governments upon completion of construction improvements.

To protect the health and safety of the people of Alaska:

- Ensure Americans with Disabilities Act (ADA) requirements are incorporated into all projects.
- Identify and correct existing safety related problems on road and facilities projects.
- Establish appropriate "double fine" construction zones, use vehicle speed awareness equipment, and contract for increased enforcement through the Alaska State Troopers and Fairbanks Police Department at construction work sites.
- Inform the public of road closures and construction delays by posting special construction advisories in newspapers, on television, and on the department's web-site.
- Provide general management and administrative support:
- Provide timely public notice for bidding and contracting opportunities through the use of the department's web-site and other formal advertisements.
- Coordinate the consultant selection process to facilitate contracting for design and construction services as quickly and cost effectively as possible.
- Advise and train project managers concerning funding requirements and rules to ensure all federal and state financial and project development guidelines are followed.

Key Component Issues for FY2002 – 2003

- TEA-21 has increased the level of Federal Highway Administration (FHWA) funds nationwide, creating competition across the country for trained and experienced engineering personnel. Recognizing this need, the State increased salary levels for engineers in FY01. However, at this date, we are still finding it difficult to adequately hire and retain qualified staff. We will continue to review this issue to determine the success of that action.
- The increased workload created by the TEA-21 program continues to make it difficult to perform certain administrative tasks with current staffing levels.
- Increased security measures at airports will involve a more detailed and costly screening process prior to security badges being issued for all personnel that work on the airport. This will involve all state personnel assigned to airport projects, as well as contractors. Construction staff will probably be required to attend a more in depth training process before working in and around the airport. Access to the airport by construction equipment will be restricted to specific secured gates that will need to be manned by state or contractor personnel at all times during the work day. The construction of heated, portable guard stations may be necessary. We may also see security measures related to projects on the Dalton Highway may require the department or Construction section to man a guard station and issue permits, which we have not done in ten years. The FAA will be briefing FIA Management soon on "current undefined security requirements" which may further affect the Construction section.
- The department, jointly with the FHWA and the FAA, created a task force to streamline the closeout process. The task force developed consistency in several aspects of FHWA and FAA closure paperwork, implementing a tracking system and notification system to ensure the priority of closing out projects. The task force eliminated documentation required by the Right of Way section that was redundant. There is an on going commitment to paperwork reduction and improved processes.
- Implementation of the Quality Financial Management Initiative Team's recommendations in the FY02 Operating Budget has occurred. We are continuing to train and educate our staff regarding these changes. At this time, we cannot determine whether we have adequately funded our operating budget for these additional costs since this allocation was based on the analysis of FY99 actual expenditures. We need to be prepared to address this issue in the FY04 Operating Budget process when we will have a year's worth of accurate information to analyze.

Major Component Accomplishments in 2001

- Received \$40.8 million in federal highway and \$33.0 million in federal aviation construction authorization in FFY01.
- Awarded contracts for \$7.8 million in general fund and reimbursable projects in FY01.
- The region emphasized safety awareness through greater communication with public, through various forms of media (public exhibits, workshops, newspaper advertisements). We also entered into a reimbursable agreement with the Department of Public Safety and a Memorandum of Agreement with the Fairbanks Police Department for officer presence at construction sites during peak traffic hours, enforcing compliance with speed limits.
- Completed construction and reconstruction of \$44.6 million dollars in needed transportation infrastructure improvements including: Chena Hot Springs Rd Widening, Edgerton Highway Rehabilitation, Richardson Highway Rehabilitation MP 6-14 and 308-311, Safety Sound Bridge, Southcentral Leveling Glenn Hwy 182-189, St. Michael/Stebbins Sanitation Road, and Steese White Mountain Access.
- Completed \$29.2 million dollars in runway, taxiway, lighting, environmental and safety improvements at Allakaket Airport, Buckland Airport, Cordova Airport, Fairbanks International Airport, Gambell Airport, Kotlik Airport, Nome Airport, and Shugnak Airport.
- Completed \$7.7 million dollars in reimbursable projects for other agencies including: Fairbanks Pioneers Home Special Care Unit, Fairbanks Readiness Center, Fairbanks Youth Facility, Fish and Game Hunter Education Building and Fish and Game Office Building.

Statutory and Regulatory Authority

AS 02 Aeronautics
 AS 08 Business and Professions
 AS 19 Highways and Ferries
 AS 34 Property
 AS 35 Public Buildings, Works
 AS 36 Public Contracts
 AS 44 State Government

USC CFR 14 Aeronautics
USC CFR 23 Highways
USC CFR 41 Contracts
USC CFR 43 Lands
USC CFR 49 Transportation

Northern Region Construction and CIP Support

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|-----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 9,643.5 | 10,884.1 | 11,533.0 |
| 72000 Travel | 39.7 | 25.0 | 25.0 |
| 73000 Contractual | 352.1 | 373.3 | 473.3 |
| 74000 Supplies | 276.2 | 169.7 | 169.7 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 10,311.5 | 11,452.1 | 12,201.0 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 309.5 | 309.1 | 413.0 |
| 1007 Inter-Agency Receipts | 53.6 | 124.3 | 129.4 |
| 1061 Capital Improvement Project Receipts | 9,948.4 | 11,018.7 | 11,658.6 |
| Funding Totals | 10,311.5 | 11,452.1 | 12,201.0 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|-----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 53.6 | 124.3 | 124.3 | 129.4 | 129.4 |
| Capital Improvement Project Receipts | 51200 | 9,948.4 | 11,018.7 | 11,018.7 | 11,658.6 | 11,658.6 |
| Restricted Total | | 10,002.0 | 11,143.0 | 11,143.0 | 11,788.0 | 11,788.0 |
| Total Estimated Revenues | | 10,002.1 | 11,143.0 | 11,143.0 | 11,788.0 | 11,788.0 |

Northern Region Construction and CIP Support

Proposed Changes in Levels of Service for FY2003

Last year the Department received increase federal funding for highways, \$80 million in two special appropriations, and a substantial increase, \$60 million, in the FAA Airport Improvement Program. The high level of federal funding, plus more special appropriations, is expected to continue. Congress may add funds for security purposes and as part of an economic stimulus package. Changes to service levels are driven by congressional appropriations and may require additional resources in order to deliver the projects funded. The department has added additional engineering positions to accomodate recent and anticipated growth in federal programs.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 309.1 | 0.0 | 11,143.0 | 11,452.1 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 3.9 | 0.0 | 296.5 | 300.4 |
| -Transfer PFT liaison position with funding to NR Planning | 0.0 | 0.0 | -75.0 | -75.0 |
| Proposed budget increases: | | | | |
| -Add 10 engineer positions and CIP funds for expanded construction program due to passage of TEA-21 | 0.0 | 0.0 | 423.5 | 423.5 |
| -Add GF due to increased lease cost for Construction | 100.0 | 0.0 | 0.0 | 100.0 |
| FY2003 Governor | 413.0 | 0.0 | 11,788.0 | 12,201.0 |

Northern Region Construction and CIP Support

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|-------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 87 | 97 | Annual Salaries | 8,254,055 |
| Part-time | 133 | 132 | COLA | 227,928 |
| Nonpermanent | 0 | 0 | Premium Pay | 718,788 |
| | | | Annual Benefits | 3,171,335 |
| | | | Less 6.78% Vacancy Factor | (839,104) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 220 | 229 | Total Personal Services | 11,533,002 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-----------------------------|-----------|------------|----------|-----------|------------|
| Accounting Clerk I | 0 | 2 | 0 | 0 | 2 |
| Accounting Spvr II | 0 | 1 | 0 | 0 | 1 |
| Accounting Tech I | 0 | 1 | 0 | 0 | 1 |
| Accounting Tech II | 0 | 2 | 0 | 0 | 2 |
| Accounting Tech III | 0 | 2 | 0 | 0 | 2 |
| Administrative Clerk I | 0 | 1 | 0 | 0 | 1 |
| Administrative Clerk II | 0 | 10 | 0 | 0 | 10 |
| Administrative Clerk III | 0 | 2 | 0 | 1 | 3 |
| Administrative Manager II | 0 | 1 | 0 | 0 | 1 |
| Administrative Manager IV | 0 | 1 | 0 | 0 | 1 |
| Analyst/Programmer III | 0 | 1 | 0 | 0 | 1 |
| Eng Tech Journey | 0 | 16 | 0 | 4 | 20 |
| Eng Tech Sub Journey I | 0 | 10 | 0 | 5 | 15 |
| Eng Tech Sub Journey II | 0 | 21 | 0 | 10 | 31 |
| Eng Tech Sub Journey III | 0 | 20 | 0 | 3 | 23 |
| Engineer/Architect I | 0 | 1 | 0 | 1 | 2 |
| Engineer/Architect II | 0 | 3 | 0 | 0 | 3 |
| Engineer/Architect III | 0 | 3 | 0 | 2 | 5 |
| Engineer/Architect IV | 0 | 2 | 0 | 0 | 2 |
| Engineer/Architect V | 0 | 1 | 0 | 0 | 1 |
| Engineering Assistant I | 0 | 15 | 0 | 1 | 16 |
| Engineering Assistant II | 0 | 26 | 0 | 5 | 31 |
| Engineering Assistant III | 0 | 15 | 0 | 5 | 20 |
| Engineering Associate | 0 | 13 | 0 | 5 | 18 |
| Maint Gen Sub - Journey I | 0 | 1 | 0 | 0 | 1 |
| Matlab Tech Journey | 0 | 2 | 0 | 0 | 2 |
| Matlab Tech Sub Journey I | 0 | 2 | 0 | 0 | 2 |
| Matlab Tech Sub Journey II | 0 | 1 | 0 | 1 | 2 |
| Matlab Tech Sub Journey III | 0 | 1 | 0 | 0 | 1 |
| Matlab Tech Sub Journey IV | 0 | 3 | 0 | 0 | 3 |
| Micro/Network Spec I | 0 | 1 | 0 | 0 | 1 |
| Micro/Network Spec II | 0 | 1 | 0 | 0 | 1 |
| Micro/Network Tech II | 0 | 2 | 0 | 0 | 2 |
| Procurement Spec II | 0 | 1 | 0 | 0 | 1 |
| Survey Sub Journey I | 0 | 1 | 0 | 0 | 1 |
| Totals | 0 | 186 | 0 | 43 | 229 |

Component: Southeast Region Construction

Contact: Chuck Correa, Construction Chief

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Component Mission

The mission of the Construction and CIP Support division is to improve the transportation system in Alaska and protect the health and safety of the people of Alaska by constructing safe, environmentally sound, reliable and cost effective highways, airports, harbors, docks, and buildings.

Component Services Provided

- Provide overall management of the division's activities.
- Administer construction contracts for all modes of transportation and public facilities.
- Provide field inspection and construction oversight.
- Provide quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects
- Report on Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.
- Review construction documents.
- Provide bid packages.
- Advertise and award contracts.
- Prepare certified bid tabulations.
- Coordinate, solicit, select, prepare and administer Professional Services Agreements.

Component Goals and Strategies

To improve the transportation system and public facilities in Alaska:

- Advertise, award, and administer construction contracts for roads, airports, ferry terminals, harbors, and facilities efficiently and in accordance with department policies and procedures.
- Construct and complete all projects on time and within budget.
- Monitor and forecast expenditures to assure funding is available for timely payment of contract obligations.
- Prepare project documentation and provide construction administration in conformance with all laws, regulations, and requirements to ensure continuing federal funding.
- Construct, renovate, and repair public facilities managed by other state agencies to meet their respective needs and objectives.
- Improve ferry terminals and highway links throughout Southeast Alaska as part of the Southeast Alaska Transportation Plan.

To protect the health and safety of the people of Alaska:

- Ensure Americans with Disabilities Act (ADA) requirements are incorporated into all projects.
- Identify and correct existing safety related problems on road and facilities projects.
- Establish appropriate "double fine" construction zones and use vehicle speed monitoring equipment for increased safety in construction work sites.
- Inform the public of road closures and construction delays by posting the "Southeast Pilot" on the department's web-site, and other special construction advisories in newspapers and on radio.

Provide general management and administrative support:

- Provide timely public notice for bidding and contracting opportunities through the use of the department's web-site and other formal advertisements.
- Coordinate the consultant selection process to facilitate contracting for design and construction services as quickly and cost effectively as possible.
- Advise and train project managers concerning funding requirements and rules to ensure all federal and state financial and project development guidelines are followed.

Key Component Issues for FY2002 – 2003

TEA-21 has increased the level of Federal Highway Administration (FHWA) funds nationwide, creating competition across the country for trained and experienced engineering personnel. The State's engineer salary level has made it difficult to hire and retain experienced personnel, however wages were increased last year for many of our engineers. Although we are still evaluating how effective that wage increase was, we are still having trouble recruiting and retaining journey level engineers.

Increased security measures at airports will involve a more detailed and costly screening process prior to security badges being issued for all personnel that work on the airport. This will involve all state personnel assigned to airport projects, as well as contractors. Construction staff will probably be required to attend a more in depth training process before working in and around the airport. Access to the airport by construction equipment will be restricted to specific secured gates that will need to be manned by state or contractor personnel at all times during the work day. The construction of heated, portable guard stations may be necessary.

The department, jointly with the FHWA and the FAA, created a task force to streamline the closeout process. The task force developed consistency in several aspects of FHWA and FAA closure paperwork, implementing a tracking system and notification system to ensure the priority of closing out projects. The task force eliminated documentation required by the Right of Way section that was redundant. There is an on going commitment to paperwork reduction and improved processes.

Major Component Accomplishments in 2001

- Received nearly \$39 million in federal highway, federal aviation, and general fund construction authorization in FFY 01.
- Completed paving 5 centerline miles of gravel road in Ketchikan and Wrangell. 1.5 centerline miles were then transferred to the local government for maintenance.
- Completed the fourth and final phase of the major realignment and upgrade of the Haines Highway from MP 25 to the Canada Border.
- Completed the state's first major cathodic protection system for a concrete structure (Tongass Avenue Viaducts in Ketchikan).
- Completed major street improvements in Sitka and Wrangell.
- Completed three high profile TRAAK projects (Mendenhall Pedestrian Bridge and Channel Drive Wayside in Juneau, and the Craig School Path).
- Completed the state's first FAA-funded ferry vessel, the MV Oral Freeman to serve the Ketchikan Airport.
- Completed construction of three new state buildings (Public Safety Academy Women's Dormitory in Sitka, the AMHS Reservations building in Juneau, and the Airport Terminal building in Skagway).
- Completed significant upgrades to four public facilities (Court Plaza building in Juneau, the Ketchikan Shipyard, the Sitka Pioneer's Home, and the Mt. Edgecumbe High School Gymnasium).
- Increased quality assurance effectiveness by obtaining materials testing certifications for 16 additional engineers and technicians under the Western Alliance for Quality in Transportation Construction program.
- The region emphasized safety awareness through greater communication with public, through various forms of media (public exhibits, workshops, newspaper advertisements).

Statutory and Regulatory Authority

AS 02 Aeronautics
 AS 08 Business and Professions
 AS 19 Highways and Ferries
 AS 34 Property
 AS 35 Public Buildings, Works
 AS 36 Public Contracts
 AS 44 State Government
 USC CFR 14 Aeronautics
 USC CFR 23 Highways
 USC CFR 41 Contracts

USC CFR 43 Lands
USC CFR 49 Transportation

Southeast Region Construction

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 3,960.7 | 4,051.4 | 4,316.2 |
| 72000 Travel | 14.6 | 13.5 | 13.5 |
| 73000 Contractual | 544.8 | 144.0 | 144.0 |
| 74000 Supplies | 165.0 | 194.0 | 194.0 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 248.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 4,933.1 | 4,402.9 | 4,667.7 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 176.9 | 178.2 | 182.7 |
| 1007 Inter-Agency Receipts | 694.3 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 4,061.9 | 4,224.7 | 4,485.0 |
| Funding Totals | 4,933.1 | 4,402.9 | 4,667.7 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 694.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital Improvement Project Receipts | 51200 | 4,061.9 | 4,224.7 | 4,224.7 | 4,485.0 | 4,485.0 |
| Restricted Total | | 4,756.2 | 4,224.7 | 4,224.7 | 4,485.0 | 4,485.0 |
| Total Estimated Revenues | | 4,756.2 | 4,224.7 | 4,224.7 | 4,485.0 | 4,485.0 |

Southeast Region Construction

Proposed Changes in Levels of Service for FY2003

Last year the Department received increase federal funding for highways, \$80 million in two special appropriations, and a substantial increase, \$60 million, in the FAA Airport Improvement Program. The high level of federal funding, plus more special appropriations, is expected to continue. Congress may add funds for security purposes and as part of an economic stimulus package. Changes to service levels are driven by congressional appropriations and may require additional resources in order to deliver the projects funded. The department has added additional engineering positions to accomodate recent and anticipated growth in federal programs.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 178.2 | 0.0 | 4,224.7 | 4,402.9 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 4.5 | 0.0 | 105.3 | 109.8 |
| Proposed budget increases: | | | | |
| -Add 2 engineer positions and CIP funds for expanded construction program due to passage of TEA-21 | 0.0 | 0.0 | 155.0 | 155.0 |
| FY2003 Governor | 182.7 | 0.0 | 4,485.0 | 4,667.7 |

Southeast Region Construction

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 32 | 34 | Annual Salaries | 2,780,105 |
| Part-time | 27 | 27 | COLA | 89,315 |
| Nonpermanent | 0 | 0 | Premium Pay | 570,909 |
| | | | Annual Benefits | 1,128,226 |
| | | | <i>Less 5.52% Vacancy Factor</i> | (252,355) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 59 | 61 | Total Personal Services | 4,316,200 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Accounting Tech I | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk III | 0 | 0 | 2 | 0 | 2 |
| Administrative Manager IV | 0 | 0 | 1 | 0 | 1 |
| Division Director | 0 | 0 | 1 | 0 | 1 |
| Eng Tech Journey | 0 | 0 | 4 | 11 | 15 |
| Eng Tech Sub Journey I | 0 | 0 | 0 | 1 | 1 |
| Eng Tech Sub Journey II | 0 | 0 | 2 | 4 | 6 |
| Eng Tech Sub Journey III | 0 | 0 | 1 | 4 | 5 |
| Engineer/Architect III | 0 | 0 | 1 | 0 | 1 |
| Engineer/Architect IV | 0 | 0 | 2 | 0 | 2 |
| Engineer/Architect V | 0 | 0 | 1 | 0 | 1 |
| Engineering Assistant I | 0 | 0 | 1 | 0 | 1 |
| Engineering Assistant II | 0 | 0 | 3 | 2 | 5 |
| Engineering Assistant III | 0 | 0 | 7 | 1 | 8 |
| Engineering Associate | 0 | 0 | 8 | 1 | 9 |
| Procurement Spec II | 0 | 0 | 1 | 0 | 1 |
| Supply Technician II | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 37 | 24 | 61 |

Statewide Facility Maintenance and Operations Budget Request Unit

Contact: Frank T. Richards, Statewide Maintenance Engineer

Tel: (907) 465-3906 **Fax:** (907) 586-8365 **E-mail:** Frank_Richards@dot.state.ak.us

BRU Mission

The mission of the Statewide Facility Maintenance and Operations BRU is to:

- Improve the quality of life for Alaskans by cost effectively providing environmentally sound and reliable public facilities.
- Benefit the traveling public and Alaskan communities through sound and effective leasing and property management practices at the state's airports and harbors.
- Maintain and operate the State's traffic control devices in the Anchorage and Eagle River area.

BRU Services Provided

- The Facilities components furnish basic services and utilities, such as electricity, water, sewer, waste disposal, janitorial, heating, grounds maintenance, and snow removal for state-owned facilities.
- The Facilities components also provide preventative and routine maintenance, repairs, remodeling, and major maintenance for state-owned facilities.
- The Leasing and Property Management components administer leases at rural airports in the Northern and Central Regions of Alaska. This involves processing applications for new leases, building permits, assignments, security assignments, subleases, supplements and closures. Revenue produced by leasing rural airport lands helps offset maintenance costs at those airports.
- The Traffic Signal Management component provides maintenance and operations of all state traffic control devices in the Anchorage and Eagle River areas.

BRU Goals and Strategies

To efficiently maintain and operate over 600 state-owned buildings in Alaska, and safeguard the State's investment in public buildings.

- Provide adequate maintenance to prevent premature deterioration and costly repairs.
- Reduce operating costs by replacing obsolete components and systems, as operating and capital funding will allow.

To provide a clean, safe, and healthy physical working environment for State employees and for the general public to use while conducting business with the State.

- Comply with building codes, fire and life safety codes, ADA accessibility standards and OSHA requirements.

To generate and optimize revenues from rural airports.

- Implement adopted regulations to bring lease rates closer to fair market rent.
- Promptly process lease applications and building permits.
- Advertise availability of new properties at rural airports.
- Institute landing fees for large aircraft and tie-down program for light aircraft.

Promote the transfer of ownership of harbors to individual communities by working with local communities to find terms and conditions acceptable to both parties.

Key BRU Issues for FY2002 – 2003

- Previously reduced operating budgets have resulted in a larger proportion of available funding being devoted to utilities and other fixed building operating expenses, with fewer resources available for vital preventive and routing maintenance, resulting in accelerated deterioration and increasing deferred maintenance backlog.
- Capital funding for major repairs, renewal and replacement of obsolete systems in facilities is grossly inadequate to meet current needs and reduce the accumulated maintenance backlog.
- Lease rate increases indicated by 1996 and 1999 market studies cannot be implemented until revised Title 17 regulations are adopted and implemented. However, some rate reduction changes have taken place. The delay in revised Title 17 regulations has reduced lease revenues.

- Structural evaluations of high-risk buildings have resulted in the closure of three maintenance stations because of potential catastrophic failure. Structural evaluations will be conducted on other high-risk state facilities as funding allows. Such reviews have not been conducted on these facilities for many years.
- The Department is using capital funds to shut down and mothball the State owned portion of the Harborview facility in Valdez. There are no operating funds in the FY02 budget for cover utility costs, nor will the Department be requesting them for FY03.

Major BRU Accomplishments in 2001

- Administered 238 contracts and work orders with private sector for construction and maintenance projects.
- Completed projects to bring facilities into compliance with ADA standards such as wheelchair ramps, public restroom renovations, and door hardware replacement.
- Continued removal and retrofitting of underground storage tanks that provided fuel for state vehicles and fuel for backup power generators.
- Began construction of the Cascade equipment storage building that collapsed due to heavy snows.
- Completed structural and electrical repair projects at harbors in Craig, Hydaburg, Metlakatla, Seldovia and Port Lions.
- Completed conversion of the traffic signals in Anchorage and Eagle River from standard bulbs to Light Emitting Diodes (LED). This conversion will reduce the utility operating cost for the traffic signals by about 90%.

Key Performance Measures for FY2003

Measure:

Whether the net value of facilities deferred maintenance increases or decreases annually.
Sec 146(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The only funding the Department receives for deferred maintenance is an annual Facilities Deferred Maintenance capital project. For FY02, a total of \$800,000 was appropriated for all the state-owned facilities the Department is responsible for maintaining. Those funds will be used for repairing the following:

- Kodiak Court building elevator
- Tudor Road Complex in Anchorage roof and electrical system
- Sitka Court House roof replacement
- Generators, incinerators, insulation and fencing at maintenance facilities at Montana Creek, Livengood, Ambler, Coldfoot, Trimms and Delta.

The current project list of accumulated deferred maintenance is \$55.4 million (not including ADA compliance needs). The accumulated deferred maintenance backlog has increased substantially in the past year due largely to three maintenance facilities being condemned, resulting in the identification of substantial deferred maintenance costs. The current goal is to reduce the percentage at which deferred maintenance accumulates during the current year.

Benchmark Comparisons:

No benchmark has yet been established.

Background and Strategies:

Deferred Maintenance funds are very important in maintaining state buildings. Lack of capital funding and fewer available operating resources for vital preventive and routine maintenance has resulted in accelerated deterioration of public facilities. Renewal and replacement of obsolescent systems in facilities is grossly inadequate to meet current needs and reduce the accumulated deferred maintenance backlog.

Measure:

The percentage of facility mechanical systems that pass safety inspections each year.
Sec 146(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

95% of mechanical systems have passed safety inspections during the past year. Most pass inspection the first time without any repairs. The Department immediately corrects most deficiencies found during an inspection. The

remaining 5% deficiencies require significant improvements to be code compliant. These items are added to the deferred maintenance backlog until capital funding is available. The following equipment or systems require safety inspection: Security and surveillance equipment; fire alarm panels; sprinklers; boilers; compressor tanks; elevators; cranes and lifts, boilers, back flow preventers and air conditioner systems. These inspections are performed either by in-house staff, contractors, or the Department of Labor.

Benchmark Comparisons:

Safety is of the highest priority and the state requires that all mechanical systems pass safety inspections.

Background and Strategies:

These systems are under the jurisdiction of the Department of Labor and Workforce Development, Division of Labor Standards and Safety, Mechanical Inspection. Currently, some boilers are serviced with in-house personnel, although the recent trend has been towards contracting for this work, due to the specialized skills needed. Elevator servicing and repairs has always been contracted, since the skilled craftsmen are not available through Local #71 and large private firms have the in-depth support needed for that service.

The Department has never had boilers or elevators "red-tagged" or taken out of service after an inspection; however, it is common for the inspector to note deficiencies, which we address by the abatement date.

Measure:

The percentage of rural airport leases that are renewed or newly leased at the fair market value during the fiscal year.
Sec 146(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

With the continued delay in adopting new Title 17 regulations, we are unable to increase rural airport lease rates to bring them closer to fair market rent.

Benchmark Comparisons:

No benchmark data has been identified for this measure.

Background and Strategies:

Title 17 AAC 40 regulates the rents that can be charged for lease of rural airport properties. The performance measure is not likely to be achieved because fair market rents are established by, among other procedures, periodic market surveys, the results of which are incorporated into Title 17 through periodic updates. If a market survey shows rent is being charged that is above fair market, the commissioner, under 17 AAC 40.340(a), approves reducing the rent charged at these airports to the fair market rent. However, for increases to fair market rent, Title 17 must be updated to reflect the upward percentage the department intends to charge. In most cases, rent increases will be made incrementally so as to allow lessees a gradual increase in their rents until fair market is reached. Until the new Title 17 regulations are adopted, rural airport lease rates can not be brought closer to fair market rent.

Statewide Facility Maintenance and Operations

BRU Financial Summary by Component

All dollars in thousands

| | FY2001 Actuals | | | | FY2002 Authorized | | | | FY2003 Governor | | | |
|--------------------------------|------------------|------------------|----------------|-----------------|-------------------|------------------|----------------|-----------------|------------------|------------------|----------------|-----------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| Formula | | | | | | | | | | | | |
| Expenditures | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| Non-Formula | | | | | | | | | | | | |
| Expenditures | | | | | | | | | | | | |
| Traffic Signal Management | 1,183.0 | 0.0 | 0.0 | 1,183.0 | 1,183.0 | 0.0 | 0.0 | 1,183.0 | 1,183.0 | 0.0 | 0.0 | 1,183.0 |
| Central Region Facilities | 2,842.8 | 0.0 | 741.0 | 3,583.8 | 2,828.7 | 0.0 | 706.6 | 3,535.3 | 3,149.8 | 0.0 | 708.6 | 3,858.4 |
| Northern Region Facilities | 5,628.0 | 35.4 | 2,191.2 | 7,854.6 | 5,591.7 | 81.8 | 1,978.2 | 7,651.7 | 5,917.3 | 167.8 | 1,996.6 | 8,081.7 |
| Southeast Region Facilities | 1,843.7 | 0.0 | 2,087.2 | 3,930.9 | 744.0 | 0.0 | 119.0 | 863.0 | 971.4 | 0.0 | 119.0 | 1,090.4 |
| Central Leasing & Property Mgt | 495.7 | 0.0 | 104.1 | 599.8 | 524.4 | 0.0 | 86.1 | 610.5 | 579.6 | 0.0 | 86.1 | 665.7 |
| North. Leasing & Property Mgt | 546.0 | 0.0 | 46.0 | 592.0 | 557.5 | 0.0 | 57.2 | 614.7 | 571.5 | 0.0 | 57.2 | 628.7 |
| Totals | 12,539.2 | 35.4 | 5,169.5 | 17,744.1 | 11,429.3 | 81.8 | 2,947.1 | 14,458.2 | 12,372.6 | 167.8 | 2,967.5 | 15,507.9 |

Statewide Facility Maintenance and Operations

Proposed Changes in Levels of Service for FY2003

Additional new facilities came online last year with no maintenance funding provided. The impact is to reduce general and preventive maintenance to cover basic fixed costs of those facilities.

Statewide Facility Maintenance and Operations

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 11,429.3 | 81.8 | 2,947.1 | 14,458.2 |
| Adjustments which will continue current level of service: | | | | |
| -Central Region Facilities | 48.8 | 0.0 | 2.0 | 50.8 |
| -Northern Region Facilities | 107.8 | 1.0 | 18.4 | 127.2 |
| -Southeast Region Facilities | 11.2 | 0.0 | 0.0 | 11.2 |
| -Central Leasing & Property Mgt | 24.4 | 0.0 | 0.0 | 24.4 |
| -North. Leasing & Property Mgt | 14.0 | 0.0 | 0.0 | 14.0 |
| Proposed budget increases: | | | | |
| -Central Region Facilities | 272.3 | 0.0 | 0.0 | 272.3 |
| -Northern Region Facilities | 217.8 | 85.0 | 0.0 | 302.8 |
| -Southeast Region Facilities | 216.2 | 0.0 | 0.0 | 216.2 |
| -Central Leasing & Property Mgt | 30.8 | 0.0 | 0.0 | 30.8 |
| FY2003 Governor | 12,372.6 | 167.8 | 2,967.5 | 15,507.9 |

Component: Traffic Signal Management

Contact: K. Chris Kepler, P.E., Chief, Central Region Maintenance and Operations

Tel: (907) 269-0767 **Fax:** (907) 248-1573 **E-mail:** Chris_Kepler@dot.state.ak.us

Component Mission

The mission of the Traffic Signal Management component is to maintain and operate all of the State traffic control devices in the Anchorage and Eagle River area through a contractual agreement with the Municipality of Anchorage.

Component Services Provided

The Department of Transportation and Public Facilities has 170 traffic signals within the Municipality of Anchorage. The city has 71 traffic signals. The Municipality of Anchorage maintains and operates all 241 signals out of their budget and with the funds in this component.

Component Goals and Strategies

To have a safe, reliable traffic control system to keep traffic in the Municipality of Anchorage flowing as smoothly as possible.

- Contract with the Municipality of Anchorage to provide needed maintenance of traffic signal devices in the Anchorage and Eagle River areas.

Key Component Issues for FY2002 – 2003

- A project from the Statewide Transportation Improvement Plan has converted the state and city traffic signals from light bulb heads to LED heads that use less electricity. Effective January 1, 2001, electricity prices have increased by 26%. This conversion will help to reduce traffic signal utility costs and offset a portion of utility price increases that have already occurred.

Major Component Accomplishments in 2001

By contracting with the Municipality of Anchorage, State traffic signals are operated in conjunction with city signals. This is more efficient and eliminates duplication of personnel, equipment, and materials.

Statutory and Regulatory Authority

- AAC 14 Public Works
- CFR 23 Highways

Traffic Signal Management

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 0.0 | 0.0 |
| 72000 Travel | 0.0 | 0.0 | 0.0 |
| 73000 Contractual | 1,183.0 | 1,183.0 | 1,183.0 |
| 74000 Supplies | 0.0 | 0.0 | 0.0 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,183.0 | 1,183.0 | 1,183.0 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 1,183.0 | 1,183.0 | 1,183.0 |
| Funding Totals | 1,183.0 | 1,183.0 | 1,183.0 |

Traffic Signal Management**Proposed Changes in Levels of Service for FY2003**

Service Changes are not anticipated for FY2003.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--------------------------|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 1,183.0 | 0.0 | 0.0 | 1,183.0 |
| FY2003 Governor | 1,183.0 | 0.0 | 0.0 | 1,183.0 |

Component: Central Region Facilities

Contact: Al Gilbert, Building Maintenance Superintendent

Tel: (907) 269-5983 **Fax:** (907) 269-5989 **E-mail:** Al_Gilbert@dot.state.ak.us

Component Mission

The mission of the Central Region Facilities component is to maintain and operate 203 state buildings, totaling 912,070 square feet, and to provide necessary support and administration of service contracts for DOT&PF and other state agencies.

Component Services Provided

- Provide building utilities, including electricity, sewer, water, oil and gas heating for state-owned facilities.
- Provide routine scheduled and preventative maintenance and minor repair work. Routine maintenance includes servicing of heating, ventilation, and air conditioning systems, lighting and electrical systems, plumbing systems, and other mechanical systems.
- Provide and procure contracts for major maintenance, including renewal and replacement of worn-out, inefficient and outdated building components, mechanical systems, electrical, plumbing, roofs, ceilings, windows, doors, and wall and floor coverings.
- Provide and procure contracts for services, including janitorial, snow removal, building security, refuse collection, elevator maintenance, over head crane safety inspections, and grounds maintenance.
- Perform or procure contracts needed to meet changing building codes and new regulations, and remodeling and repairs required by building occupants.

Component Goals and Strategies

Efficiently maintain and operate 203 state buildings totaling 912,070 square feet in the Central Region. To provide necessary support and administration of contracts servicing multiple components.

- To provide a clean, safe, and healthy working environment for State employees and the general public.
- To safeguard the State's investment in public buildings by providing adequate maintenance to prevent premature deterioration.
- To provide necessary maintenance and operations by the most productive and cost effective means available.
- To reduce energy costs and to bring State facilities into alignment with current environmental and energy saving concerns.

Key Component Issues for FY2002 – 2003

- The current operating budget is almost entirely consumed by utility and service contract costs leaving little funding available for vital preventive and routine maintenance. If this funding trend continues, the deferred maintenance backlog will increase and may ultimately lead to premature closure of facilities.
- Capital funding for major repairs, renewal and replacement of obsolescent systems in facilities is grossly inadequate to meet current needs and reduce the accumulated deferred maintenance backlog.

Major Component Accomplishments in 2001

- Maintained 61 road accessible and 142 remote facilities located throughout Southcentral Alaska.
- Administered 33 contracts with the private sector for maintenance and repair of Central Region facilities.
- Completed the construction of a 5,400 square foot equipment storage building in Cascade.

Statutory and Regulatory Authority

- AS 35 Public Buildings
- AS 36 Public Contracts
- AS 44 State Government
- AAC 17 Department of Transportation & Public Facilities
- Americans with Disabilities Act
- Resource, Conservation & Recovery Act
- Department of Labor Uniform Building Code
- OSHA

Central Region Facilities

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,087.5 | 1,271.8 | 1,322.6 |
| 72000 Travel | 49.1 | 12.5 | 12.5 |
| 73000 Contractual | 1,783.5 | 1,973.3 | 2,245.6 |
| 74000 Supplies | 628.5 | 277.7 | 277.7 |
| 75000 Equipment | 35.2 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 3,583.8 | 3,535.3 | 3,858.4 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 2,842.8 | 2,826.7 | 3,147.8 |
| 1005 General Fund/Program Receipts | 0.0 | 2.0 | 2.0 |
| 1007 Inter-Agency Receipts | 633.7 | 662.1 | 664.1 |
| 1108 Statutory Designated Program Receipts | 42.3 | 44.5 | 44.5 |
| 1147 Public Building Fund | 65.0 | 0.0 | 0.0 |
| Funding Totals | 3,583.8 | 3,535.3 | 3,858.4 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 633.7 | 662.1 | 662.1 | 664.1 | 664.1 |
| General Fund Program Receipts | 51060 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Statutory Designated Program Receipts | 51063 | 42.3 | 44.5 | 44.5 | 44.5 | 44.5 |
| Restricted Total | | 676.0 | 708.6 | 708.6 | 710.6 | 710.6 |
| Total Estimated Revenues | | 676.0 | 708.6 | 708.6 | 710.6 | 710.6 |

Central Region Facilities

Proposed Changes in Levels of Service for FY2003

Fuel cost increases in past years have been funded by supplemental funds. Requested fuel and utility cost increases in base funding for FY03 are needed to maintain the current level of service. Without such funding service levels will deteriorate as maintenance is deferred.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 2,828.7 | 0.0 | 706.6 | 3,535.3 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 48.8 | 0.0 | 2.0 | 50.8 |
| Proposed budget increases: | | | | |
| -Increased fuel prices | 121.1 | 0.0 | 0.0 | 121.1 |
| -Increased utility costs | 151.2 | 0.0 | 0.0 | 151.2 |
| FY2003 Governor | 3,149.8 | 0.0 | 708.6 | 3,858.4 |

Central Region Facilities

Personal Services Information

| Authorized Positions | | Personal Services Costs | |
|----------------------|-------------------|-------------------------|--|
| | <u>FY2002</u> | <u>FY2003</u> | |
| | <u>Authorized</u> | <u>Governor</u> | |
| Full-time | 21 | 21 | Annual Salaries 966,768 |
| Part-time | 0 | 0 | COLA 33,823 |
| Nonpermanent | 0 | 0 | Premium Pay 8,035 |
| | | | Annual Benefits 368,253 |
| | | | Less 3.94% Vacancy Factor (54,279) |
| | | | Lump Sum Premium Pay 0 |
| Totals | 21 | 21 | Total Personal Services 1,322,600 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Clerk II | 1 | 0 | 0 | 0 | 1 |
| Administrative Manager I | 1 | 0 | 0 | 0 | 1 |
| Building Maint Supt | 1 | 0 | 0 | 0 | 1 |
| Maint Gen Sub - Journey II | 2 | 0 | 0 | 0 | 2 |
| Maint Spec Bfc Foreman | 1 | 0 | 0 | 0 | 1 |
| Maint Spec Bfc Journey I | 4 | 0 | 0 | 1 | 5 |
| Maint Spec Bfc Jrny II/Lead | 2 | 0 | 0 | 3 | 5 |
| Maint Spec Etrician Journey II | 2 | 0 | 0 | 0 | 2 |
| Maint Spec Plumb Jrny II | 2 | 0 | 0 | 0 | 2 |
| Procurement Spec I | 1 | 0 | 0 | 0 | 1 |
| Totals | 17 | 0 | 0 | 4 | 21 |

Component: Northern Region Facilities

Contact: James H. Little, Northern Region Maintenance & Operations Director

Tel: (907) 451-2294 **Fax:** (907) 451-5311 **E-mail:** james_little@dot.state.ak.us

Component Mission

The mission of the Northern Region Facilities component is to improve the quality of life for Alaskans by cost effectively providing safe, environmentally sound and reliable public facilities.

Component Services Provided

- Provide building utilities, including electricity, sewer and water, waste disposal, heating, air conditioning and ventilation for state-owned facilities.
- Provide and procure contracts for services including janitorial, snow removal, building security, waste removal and elevator maintenance. Provide routine scheduled and preventative maintenance and minor repair work. Routine maintenance includes servicing of heating, ventilation and air conditioning systems, lighting and electrical systems, plumbing systems, and all other mechanical systems.
- Perform or procure contracts for remodeling and repairs required by building occupants or needed to meet changing building codes and new regulations such as the Americans with Disabilities Act.
- Provide and procure contracts for major maintenance, including renewal and replacement of worn-out, inefficient and outdated building components, mechanical systems, flooring, ceilings, windows, and window and wall coverings.

Component Goals and Strategies

Efficiently maintain and operate 386 state buildings totaling 1,236,516 square feet in the Northern Region:

- To provide necessary support and administration of contracts servicing multiple components.
- To provide a clean, safe, and healthy physical working environment for State employees and for the general public to use while conducting State business.
- To safeguard the State's investment in public buildings by providing adequate maintenance to prevent premature deterioration.
- To provide necessary maintenance and operations by the most productive and cost effective means available.
- To reduce energy costs and to bring state facilities into alignment with current environmental and energy saving concerns.

Key Component Issues for FY2002 – 2003

- As the public facilities continue to age, M&O Facilities is confronted with an increasing list of deferred maintenance repairs. Other demands include an increase in the cost of labor, materials, electricity and fuel, and the burden of new laws and regulations. M&O Facilities also continues to add new facilities each year to our inventory without increased funding. The Facilities budget has not kept up with these increased demands and is currently inadequate to sustain acceptable levels of preventative maintenance to our public facilities. Our list of deferred maintenance projects is currently at \$31.5 million and continues to accumulate.

Capital funding for major repairs, renewal and replacement of obsolescent systems in facilities is inadequate to meet current needs and reduce the accumulated deferred maintenance backlog.

Major Component Accomplishments in 2001

- Administered or assisted in the administration of 132 contracts with the private sector exceeding \$5.4 million for Northern Region Maintenance and Operations.
- Continued implementation of Computerized Maintenance Management System.
- Closed 436 work orders, 153 of which were preventative maintenance.
- Surveyed and inspected all Northern Region day tanks for upgrade specifications. Replacement and installation of Department of Environmental Conservation compliant tanks will occur in FY02 fiscal year.

- Continued implementation of energy saving projects including replacement of overhead doors and heating and ventilation upgrades.

Statutory and Regulatory Authority

AS 35 Public Buildings
AS 36 Public Contracts
AS 44 State Government
AAC17, Department of Transportation & Public Facilities
Americans with Disabilities Act
Resource, Conservation & Recovery Act

Northern Region Facilities

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 3,308.7 | 3,237.1 | 3,398.3 |
| 72000 Travel | 104.3 | 126.9 | 135.4 |
| 73000 Contractual | 2,338.3 | 2,647.9 | 2,891.2 |
| 74000 Supplies | 2,054.1 | 1,639.8 | 1,656.8 |
| 75000 Equipment | 49.2 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 7,854.6 | 7,651.7 | 8,081.7 |
| Funding Sources: | | | |
| 1002 Federal Receipts | 35.4 | 81.8 | 167.8 |
| 1004 General Fund Receipts | 5,628.0 | 5,591.7 | 5,917.3 |
| 1007 Inter-Agency Receipts | 1,621.6 | 1,841.9 | 1,860.3 |
| 1061 Capital Improvement Project Receipts | 219.3 | 0.0 | 0.0 |
| 1108 Statutory Designated Program Receipts | 108.3 | 136.3 | 136.3 |
| 1147 Public Building Fund | 242.0 | 0.0 | 0.0 |
| Funding Totals | 7,854.6 | 7,651.7 | 8,081.7 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 9.6 | 0.0 | 10.2 | 0.0 | 10.8 |
| Unrestricted Total | | 9.6 | 0.0 | 10.2 | 0.0 | 10.8 |
| Restricted Revenues | | | | | | |
| Federal Receipts | 51010 | 35.4 | 81.8 | 67.4 | 167.8 | 167.8 |
| Interagency Receipts | 51015 | 1,621.6 | 1,841.9 | 2,475.8 | 1,860.3 | 2,659.3 |
| Statutory Designated Program Receipts | 51063 | 108.3 | 136.3 | 122.4 | 136.3 | 136.3 |
| Capital Improvement Project Receipts | 51200 | 219.3 | 0.0 | 150.0 | 0.0 | 150.0 |
| Restricted Total | | 1,984.6 | 2,060.0 | 2,815.6 | 2,164.4 | 3,113.4 |
| Total Estimated Revenues | | 1,994.2 | 2,060.0 | 2,825.8 | 2,164.4 | 3,124.2 |

Northern Region Facilities

Proposed Changes in Levels of Service for FY2003

Continued implementation of the Computerized Maintenance Management System has led to increased service with no budgetary increase by providing work order based maintenance and increased reporting functions. Building occupants can now request and track maintenance through a central dispatch, including email and web based requests.

Fuel cost increases in past years have been funded by supplemental funds. Requested fuel cost increases in base funding for FY03 are needed to maintain the current level of service. Without such funding service levels will deteriorate as maintenance is deferred.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 5,591.7 | 81.8 | 1,978.2 | 7,651.7 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 107.8 | 1.0 | 18.4 | 127.2 |
| Proposed budget increases: | | | | |
| -Increase Federal Authority for Kotzebue Airport Combined Facility | 0.0 | 85.0 | 0.0 | 85.0 |
| -Increased fuel prices | 217.8 | 0.0 | 0.0 | 217.8 |
| FY2003 Governor | 5,917.3 | 167.8 | 1,996.6 | 8,081.7 |

Northern Region Facilities
Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|-----------------------------|-------------------|--------------------------------|----------------------------------|------------------|
| | FY2002 | FY2003 | | |
| | Authorized | Governor | | |
| Full-time | 43 | 45 | Annual Salaries | 2,423,208 |
| Part-time | 7 | 8 | COLA | 90,463 |
| Nonpermanent | 0 | 0 | Premium Pay | 113,556 |
| | | | Annual Benefits | 920,532 |
| | | | <i>Less 4.21% Vacancy Factor</i> | (149,459) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 50 | 53 | Total Personal Services | 3,398,300 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|------------------|------------------|---------------|---------------|--------------|
| Administrative Clerk III | 0 | 2 | 0 | 0 | 2 |
| Administrative Manager I | 0 | 1 | 0 | 0 | 1 |
| Building Maint Manager | 0 | 1 | 0 | 0 | 1 |
| Building Mgmt Specialist | 0 | 0 | 0 | 1 | 1 |
| Enviro Services Journey II | 0 | 0 | 0 | 4 | 4 |
| Equip Operator Sub Journey I | 0 | 0 | 0 | 1 | 1 |
| Maint Gen Foreman | 0 | 0 | 0 | 2 | 2 |
| Maint Gen Journey | 0 | 12 | 0 | 5 | 17 |
| Maint Gen Lead | 0 | 0 | 0 | 2 | 2 |
| Maint Gen Sub - Journey II | 0 | 0 | 0 | 1 | 1 |
| Maint Spec Bfc Foreman | 0 | 2 | 0 | 0 | 2 |
| Maint Spec Bfc Journey I | 0 | 3 | 0 | 4 | 7 |
| Maint Spec Bfc Jrny II/Lead | 0 | 4 | 0 | 2 | 6 |
| Maint Spec Etrician Journey II | 0 | 3 | 0 | 1 | 4 |
| Maint Spec Plumb Jrny II | 0 | 2 | 0 | 0 | 2 |
| Totals | 0 | 30 | 0 | 23 | 53 |

Component: Southeast Region Facilities

Contact: George McCurry, Building Maintenance Manager

Tel: (907) 465-1770 **Fax:** (907) 465-2016 **E-mail:** George_McCurry@dot.state.ak.us

Component Mission

The mission of the Southeast Region Facilities component is to improve the quality of life for Alaskans by cost effectively providing environmentally sound and reliable public facilities.

Component Services Provided

- Furnish basic services and utilities, such as electrical power, water and sewerage, trash disposal, janitorial, grounds maintenance, snow removal and operation of building systems in support of tenant agency programs.
- Provide preventative and routine maintenance (using in-house and contractual resources) of all building components and systems, including electrical, plumbing, heating, ventilating and air conditioning systems, fire protection and suppression systems doors, windows, roofs, elevators, and interior and exterior finishes.- Using both in-house and consultant resources, design, bid and administer construction of tenant build-outs, and major maintenance and upgrades of all building systems. This includes projects at facilities maintained and operated by other State agencies.

Component Goals and Strategies

Maintain and operate 29 State-owned buildings throughout Southeastern Alaska totaling 257,700 SF floor area, including 3 office buildings, one museum, and highway/airport maintenance shops and utility buildings at 11 different locations.

- Using our Ketchikan maintenance specialist to perform preventive maintenance and respond to tenant service requests and emergencies at two facilities.
- Employing contractors for maintenance requiring specialized crafts and trades (such as elevators, roofing, glazing, electrical, electronic, and fire detection and suppression systems), and for all janitorial services.
- Using contractors for all project work, including partition modifications, exterior painting, major HVAC repairs. We employ local contractors and vendors to service facilities other than Ketchikan.
- Obsolescent components and systems as capital funding becomes available Achieving greater energy efficiency and reducing operating costs by replacing.
- Continuously striving to comply with ever-changing building codes, fire and life safety codes, hazardous material handling regulations, ADA accessibility standards and OSHA requirements, among others.

Key Component Issues for FY2002 – 2003

- Reduced operating budgets coupled with steadily increasing costs and more facilities mean a larger proportion of available funding is spent on utilities and other building operating expenses, with fewer resources available for vital preventive and routine maintenance, resulting in accelerated deterioration and an increasing deferred maintenance backlog.
- Capital funding for major repairs, renewal and replacement of obsolescent systems at facilities is grossly inadequate to meet current needs and reduce the accumulated deferred maintenance backlog. As an example, two major facilities have failing roofs overdue for replacement, but available funding permits only stopgap, temporary repairs to be made.

Major Component Accomplishments in 2001

- In November, 2000, responsibility for maintenance and operation of 14 Juneau facilities was transferred from DOT&PF, Southeast Region to the Department of Administration, Division of General Services. This realignment of responsibilities involved transfer to DOA of operating funding for these facilities, and all Juneau maintenance and support positions.
- During the past year, the component administered 50 contracts and major work orders for construction, maintenance and janitorial projects, plus numerous smaller projects.

Statutory and Regulatory Authority

- Alaska Statutes:
 - Title 35 (Public Buildings, Works and Improvements);
 - Title 36 (Public Contracts); Title 44 (State Government)
- Alaska Administrative Code:
 - Title 14 (Public Works);
 - Title 17 (Department of Transportation and Public Facilities)
- Uniform Building Code, Uniform Mechanical Code, Uniform Fire Code, Uniform Plumbing Code and related codes as adopted by authorities having jurisdiction; ASME Safety Code for Elevators and Escalators, National Fire Protection Association standards; USC and CFRs specifying OSHA, ADA, asbestos and hazardous materials handling, clean air and water and fuel storage requirements, among a plethora relating to buildings and fixed facilities.

Southeast Region Facilities

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 977.5 | 368.7 | 379.9 |
| 72000 Travel | 5.7 | 2.7 | 2.7 |
| 73000 Contractual | 1,961.4 | 312.4 | 696.3 |
| 74000 Supplies | 322.5 | 179.2 | 11.5 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 663.8 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 3,930.9 | 863.0 | 1,090.4 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 1,843.7 | 744.0 | 971.4 |
| 1007 Inter-Agency Receipts | 1,936.8 | 119.0 | 119.0 |
| 1053 Investment Loss Trust Fund | 16.0 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 49.6 | 0.0 | 0.0 |
| 1147 Public Building Fund | 84.8 | 0.0 | 0.0 |
| Funding Totals | 3,930.9 | 863.0 | 1,090.4 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 3.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 3.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 1,936.8 | 119.0 | 119.0 | 119.0 | 119.0 |
| Capital Improvement Project Receipts | 51200 | 49.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Total | | 1,986.4 | 119.0 | 119.0 | 119.0 | 119.0 |
| Total Estimated Revenues | | 1,989.7 | 119.0 | 119.0 | 119.0 | 119.0 |

Southeast Region Facilities

Proposed Changes in Levels of Service for FY2003

Fuel cost increases in past years have been funded by supplemental funds. Requested fuel and utility cost increases in base funding for FY03 are needed to maintain the current level of service. Without such funding service levels will deteriorate as maintenance is deferred.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 744.0 | 0.0 | 119.0 | 863.0 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 11.2 | 0.0 | 0.0 | 11.2 |
| Proposed budget increases: | | | | |
| -Increased fuel prices | 99.0 | 0.0 | 0.0 | 99.0 |
| -Increased utility costs | 117.2 | 0.0 | 0.0 | 117.2 |
| FY2003 Governor | 971.4 | 0.0 | 119.0 | 1,090.4 |

Southeast Region Facilities

Personal Services Information

| Authorized Positions | | | Personal Services Costs | |
|----------------------|-------------------|-----------------|--------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 5 | 5 | Annual Salaries | 253,029 |
| Part-time | 0 | 0 | COLA | 6,795 |
| Nonpermanent | 0 | 0 | Premium Pay | 24,810 |
| | | | Annual Benefits | 97,784 |
| | | | Less 0.66% Vacancy Factor | (2,518) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 5 | 5 | Total Personal Services | 379,900 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-----------------------------|-----------|-----------|----------|----------|----------|
| Administrative Assistant | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk II | 0 | 0 | 1 | 0 | 1 |
| Building Maint Manager | 0 | 0 | 1 | 0 | 1 |
| Engineering Associate | 0 | 0 | 1 | 0 | 1 |
| Maint Spec Bfc Jrny II/Lead | 0 | 0 | 0 | 1 | 1 |
| Totals | 0 | 0 | 4 | 1 | 5 |

Component: Central Region Leasing and Property Management

Contact: Robert L. Norton, Jr., Chief of Leasing & Property Management

Tel: (907) 269-0745 **Fax:** (907) 269-0489 **E-mail:** Bob_Norton@dot.state.ak.us

Component Mission

The mission of the Central Region Leasing and Property Management component is to benefit the traveling public and Alaskan communities through sound and effective leasing and property management practices at the region's airports and harbors.

Component Services Provided

- Provides a centralized location for any individual or company who wishes to use rural airport land for private or commercial enterprise.
- Answers questions as to the availability of airport land and whether the land in question can be used for the intended purpose.
- Receives and reviews applications from individuals or companies for compliance with land title restrictions, Federal Aviation Administration construction grant assurances, and airport development plans.
- Assists in the completion of building permit applications by answering questions regarding the requirements of other agencies or directing the applicant to the particular agency in question for more detailed answers.

Component Goals and Strategies

Actively manage Central Region airport properties and harbor facilities:

- Effectively execute and administer leases and permits.
- Increase the frequency of inspections at airports to reduce the misuse and abuse of airport property.
- Actively pursue environmental concerns relative to fueling operations and hazardous substances to minimize the State's liability exposure.
- Continue to work with communities to assume ownership of their local harbors to reduce state liability and maintenance costs.

Enhance rural commerce:

- Encourage development of aviation related businesses.
- Critically review airport improvement project plans and master plans for potential impacts to leaseholds and for the creation of new lease areas on airports.

Generate and optimize revenues:

- Assist in the rewrite of Title 17 regulations to bring lease rates closer to fair market rent and implement programs to generate new revenues.
- Advertise availability of new properties at rural airports to generate the maximum revenue possible for the state.
- Maximize revenue to offset maintenance and operations costs at rural airports.
- Ensure revenues due the State are assessed and paid in a timely manner.

Key Component Issues for FY2002 – 2003

- Lease rate increases indicated by 1996 and 1999 market studies will be implemented when revised Title 17 regulations are adopted. The regulations are also needed to implement new programs that will enhance revenue.
- Coordination with the Department of Environmental Conservation to address the issue of remaining underground storage tanks.
- Closely examine the regulations for and address the environmental concerns relative to fueling operations and other sources of contamination.

Major Component Accomplishments in 2001

- Received and processed 106 applications and executed 80 new leases and permits.
- Completed major changes to 47 existing leases and permits and consented to 16 assignments.
- Reviewed, coordinated and approved 50 building permit applications.
- Closed 53 agreements.
- Inspected 18 airports.
- Reviewed and coordinated 5 airport master plans.
- Reviewed and coordinated over 10 airport improvement projects.
- Coordinated and managed site assessments and remediation efforts for 6 former MarkAir sites.

Statutory and Regulatory Authority

- AS 02 Aeronautics
- AS 30 Navigation Harbors and Shipping
- AS 35 Public Buildings and Improvements
- AS 36 Procurement/Supply
- AS 44 State Government
- 17AAC40 Leasing and Property Management

Central Region Leasing and Property Management
Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|-----------------------|--------------------------|------------------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 503.6 | 546.6 | 571.0 |
| 72000 Travel | 10.3 | 15.3 | 15.3 |
| 73000 Contractual | 75.2 | 45.6 | 76.4 |
| 74000 Supplies | 8.4 | 3.0 | 3.0 |
| 75000 Equipment | 2.3 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 599.8 | 610.5 | 665.7 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 0.0 | 0.0 | 0.0 |
| 1005 General Fund/Program Receipts | 495.7 | 524.4 | 579.6 |
| 1007 Inter-Agency Receipts | 78.8 | 86.1 | 86.1 |
| 1061 Capital Improvement Project Receipts | 25.3 | 0.0 | 0.0 |
| Funding Totals | 599.8 | 610.5 | 665.7 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|-------------------------------|-----------------------|--------------------------|-----------------------------|------------------------|------------------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 471.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 471.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 78.8 | 86.1 | 86.1 | 86.1 | 86.1 |
| General Fund Program Receipts | 51060 | 495.7 | 524.4 | 524.4 | 579.6 | 579.6 |
| Capital Improvement Project Receipts | 51200 | 25.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Total | | 599.8 | 610.5 | 610.5 | 665.7 | 665.7 |
| Total Estimated Revenues | | 1,071.6 | 610.5 | 610.5 | 665.7 | 665.7 |

Central Region Leasing and Property Management

Proposed Changes in Levels of Service for FY2003

Service Changes are not anticipated for FY2003.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 524.4 | 0.0 | 86.1 | 610.5 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 12.1 | 0.0 | 2.3 | 14.4 |
| -Convert unrealizable Year 3 Labor Cost fund sources to GF | 2.3 | 0.0 | -2.3 | 0.0 |
| -Exchange fund sources for rural airports leasing and maintenance programs | -14.4 | 0.0 | 0.0 | -14.4 |
| -Exchange fund sources for rural airports leasing and maintenance programs | 14.4 | 0.0 | 0.0 | 14.4 |
| -Transfer In GFPR from Central Region Highways and Aviation to meet OMB vacancy guidelines | 10.0 | 0.0 | 0.0 | 10.0 |
| Proposed budget increases: | | | | |
| -Increase GFPR authority for increased water/wastewater fees at the Kodiak Airport | 30.8 | 0.0 | 0.0 | 30.8 |
| FY2003 Governor | 579.6 | 0.0 | 86.1 | 665.7 |

Central Region Leasing and Property Management

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 9 | 9 | Annual Salaries | 416,519 |
| Part-time | 0 | 0 | COLA | 9,578 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 158,266 |
| | | | <i>Less 2.29% Vacancy Factor</i> | (13,363) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 9 | 9 | Total Personal Services | 571,000 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|----------|----------|----------|
| Administrative Assistant | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk III | 1 | 0 | 0 | 0 | 1 |
| Drafting Technician III | 1 | 0 | 0 | 0 | 1 |
| Leasing Officer II | 4 | 0 | 0 | 0 | 4 |
| Leasing Officer III | 1 | 0 | 0 | 0 | 1 |
| Leasing Officer IV | 1 | 0 | 0 | 0 | 1 |
| Totals | 9 | 0 | 0 | 0 | 9 |

Component: Northern Region Leasing and Property Management

Contact: James H. Little, Northern Region M&O Director

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Component Mission

The mission of the Northern Region Leasing and Property Management component is to benefit the traveling public and Alaskan communities through sound and effective leasing and property management practices at the region's airports and harbors.

Component Services Provided

- Research, negotiate, write, administer, and inspect approximately 550 leases/leaseholds at 102 airports in the Northern region.
- Review applications for compliance with land title restrictions, Federal Aviation Administration grant assurances, airport development plans and operations criteria. Many applications are unique in nature and require development of precedent-setting documents.
- Facilitate communication and coordination between various sections in the Department of Transportation and Public Facilities and other state and federal agencies regarding property management issues.
- In addition to land use contracts, coordinate, review, and provide final approval in the Northern Region for building permit applications, appraisals, assignments of interest, security assignments, and environmental contamination site assessment and remediation plans.

Component Goals and Strategies

Proactively manage Northern Region airport properties:

- Effectively negotiate and administer leases and permits.
- Increase the frequency of inspections at airports to reduce the misuse and contamination of airport properties.
- Actively enforce uniform methods for handling trespasses and illegal use of airport properties.

Enhance rural commerce:

- Encourage development of aviation and related businesses.
- Critically review airport improvement project plans and master plans for potential impacts to leaseholds and for creation of new leasable areas on airports.
- Regularly update land occupancy drawings for accuracy and availability of airport land.

Generate and optimize revenues:

- Expeditiously process pending lease applications and building permits.
- Bring lease rates closer to fair market rent and implement programs to generate new revenues.
- Ensure revenues due the State are assessed and paid in a timely manner.

Key Component Issues for FY2002 – 2003

- Lease rate increases indicated by 1996 and 1999 market studies will be implemented when revised Title 17 regulations are adopted. The regulations are also needed to implement new programs that will enhance revenue.
- Closely inspect leaseholds for and address environmental concerns relative to fueling operations and other sources of contamination.

Major Component Accomplishments in 2001

- Processed 68 airport land use applications and made major changes to 41 existing contracts; processed 45 building permit applications.
- Executed 46 new contracts and consented to 41 lease assignments and subleases.
- Closed 66 agreements.
- Inspected 23 airports.
- Completely overhauled 11 land occupancy drawings.
- Reduced the 90-day past due accounts to less than \$1.0.

- Reduced and remediated contamination on lease lots by working with leasees.
- Developed land leases for village fuel tank farms with federal and state agencies.
- Created contracts for joint-use facilities with FAA.

Statutory and Regulatory Authority

AS 02-Aeronautics
AS 35 Public Buildings and Improvements
AS 35.05.020-Administration
AS 36.30-Procurement/Supply
AS 44-State Government
Chapter 36/SLA 90
17 AAC 40-Leasing and Property Management

Northern Region Leasing and Property Management
Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|------------------------------------|-----------------------|--------------------------|------------------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 508.1 | 541.8 | 555.8 |
| 72000 Travel | 15.6 | 17.5 | 17.5 |
| 73000 Contractual | 45.1 | 48.2 | 48.2 |
| 74000 Supplies | 23.2 | 7.2 | 7.2 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 592.0 | 614.7 | 628.7 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 0.0 | 0.0 | 0.0 |
| 1005 General Fund/Program Receipts | 546.0 | 557.5 | 571.5 |
| 1007 Inter-Agency Receipts | 32.8 | 57.2 | 57.2 |
| 1053 Investment Loss Trust Fund | 13.2 | 0.0 | 0.0 |
| Funding Totals | 592.0 | 614.7 | 628.7 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|-------------------------------|-----------------------|--------------------------|-----------------------------|------------------------|------------------------|
| Unrestricted Revenues | | | | | | |
| General Fund Program Receipts | 51060 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Fund | 68515 | 6.3 | 1.4 | 1.4 | 1.4 | 1.4 |
| Unrestricted Total | | 6.5 | 1.4 | 1.4 | 1.4 | 1.4 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 32.8 | 57.2 | 31.6 | 57.2 | 57.2 |
| General Fund Program Receipts | 51060 | 546.2 | 557.5 | 557.5 | 571.5 | 557.5 |
| Restricted Total | | 579.0 | 614.7 | 589.1 | 628.7 | 614.7 |
| Total Estimated Revenues | | 585.5 | 616.1 | 590.5 | 630.1 | 616.1 |

Northern Region Leasing and Property Management

Proposed Changes in Levels of Service for FY2003

No service level changes are planned for FY03.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 557.5 | 0.0 | 57.2 | 614.7 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 13.4 | 0.0 | 0.6 | 14.0 |
| -Convert unrealizable Year 3 Labor Cost fund sources to GF | 0.6 | 0.0 | -0.6 | 0.0 |
| -Exchange fund sources for rural airports leasing and maintenance programs | -14.0 | 0.0 | 0.0 | -14.0 |
| -Exchange fund sources for rural airports leasing and maintenance programs | 14.0 | 0.0 | 0.0 | 14.0 |
| FY2003 Governor | 571.5 | 0.0 | 57.2 | 628.7 |

Northern Region Leasing and Property Management

Personal Services Information

| Authorized Positions | | Personal Services Costs | |
|----------------------|-------------------|-------------------------|--|
| | <u>FY2002</u> | <u>FY2003</u> | |
| | <u>Authorized</u> | <u>Governor</u> | |
| Full-time | 8 | 8 | Annual Salaries 386,383 |
| Part-time | 0 | 0 | COLA 9,560 |
| Nonpermanent | 0 | 0 | Premium Pay 24,700 |
| | | | Annual Benefits 149,428 |
| | | | Less 2.50% Vacancy Factor (14,271) |
| | | | Lump Sum Premium Pay 0 |
| Totals | 8 | 8 | Total Personal Services 555,800 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|----------|----------|----------|
| Administrative Assistant | 0 | 1 | 0 | 0 | 1 |
| Administrative Clerk III | 0 | 1 | 0 | 0 | 1 |
| Leasing Officer II | 0 | 4 | 0 | 0 | 4 |
| Leasing Officer III | 0 | 1 | 0 | 0 | 1 |
| Leasing Officer IV | 0 | 1 | 0 | 0 | 1 |
| Totals | 0 | 8 | 0 | 0 | 8 |

State Equipment Fleet Budget Request Unit

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BRU Mission

The mission of the Statewide State Equipment Fleet (SEF) is to replace, maintain, and manage state-owned vehicles, equipment, and attachments for safe and appropriate use.

BRU Services Provided

- The State Equipment Fleet is responsible for the management, maintenance and inventory of all state vehicles, equipment and attachments assigned to state agencies.
- The regional SEF components provide maintenance, repair and servicing of state equipment at maintenance and operations shops, remote rural airport stations, and roadside locations throughout Alaska. Preventative maintenance, safety and vehicle emission inspections, parts procurement, and inventory control are provided. Equipment is evaluated and specifications are prepared in coordination with SEF Headquarters for the equipment replacement program. New vehicles, equipment and attachments are received, checked in and issued to using agencies.
- State Equipment Fleet manages the Highway Equipment Working Capital Fund (HEWCF), purchases new equipment and vehicles for all state agencies, and provides administrative support including, but not limited to: policies and procedures, financial reporting, computer systems, training, billing of HEWCF charges, and coordination between regional SEF components.
- State Equipment Fleet evaluates excess equipment and sells at auction or assigns to an appropriate alternative use.

BRU Goals and Strategies

Effectively manage the Highway Equipment Working Capital Fund to insure sufficient revenues for purchasing and maintenance of equipment and vehicle needs in future fiscal years.

- Maintain sufficient cash flow in the Highway Equipment Working Capital Fund, following Generally Accepted Accounting Principles, for equipment maintenance and replacement.
- Prepare a rate structure that allocates costs fairly and will allow for no financial gain or loss (break even) on operating activities and produce sufficient revenue to cover operating overhead on the replacement, fuel payment and daily rental programs

Provide a well-equipped, cost-effective fleet for all state agencies.

- Coordinate equipment maintenance activity statewide for all SEF personnel, improve preventative maintenance service and reduce costs for state owned assets.
- Measure effectiveness of equipment replacement program by reducing the percentage of "Z" status equipment (eligible for replacement) to no more than 5 percent of the fleet for both the light duty vehicles and heavy-duty equipment.

Maintain good vendor relations as measured by the number of protests. The goal is to not exceed 1 bid protest annually.

Key BRU Issues for FY2002 – 2003

The State Equipment Fleet (SEF) operates 44 shops and has more than 150 employees that provide general and preventative maintenance and all parts supply. There are approximately 7,600 vehicles accounted for in the fleet information system, with 4,800 vehicles comprised of light duty, heavy duty and attachments under SEF management. The Department contracted with a private fleet management consulting firm to do a broad review and a detailed performance and productivity evaluation of the delivery of fleet services. The consulting report was issued in December 2000. Over the past eight months the review has been evaluated. Almost all recommendations will be implemented starting in FY2002. It will take two or three years to fully implement the approved recommendations.

Major BRU Accomplishments in 2001

- SEF performed all required services during FY2001. Expenses increased 4.1 percent over FY2000 due to increased credit card fuel costs, the cost of the consultant report, and negotiated salary increases.

- The goal of 80 percent Preventive Maintenance (PM) compliance was met.
- SEF completed the modification of its computer systems to track downtime. For FY2001 downtime for urban, light duty vehicles was 7.8 percent. As of September, the FY2002 year to date downtime for the same group of vehicles was 4.4 percent.
- For FY2001 the rate comparison for SEF versus the *Rental Rate Blue Book* indicated that SEF rates averaged 39 percent of the Blue Book. For FY2002 the comparable figure for the SEF rates was 34 percent.

Key Performance Measures for FY2003

Measure:

Whether 80 percent of the fleet wet rentals are returned to the division as scheduled for preventive maintenance on or before June 30 of the fiscal year.

Sec 147(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

State Equipment Fleet (SEF) is performing and tracking preventive maintenance activities. At the end of June 2001 the PM compliance was 80 percent, the objective for that fiscal year. As of October 2001, the regions are experiencing from 78 percent to 95 percent compliance with preventive maintenance schedules. The statewide average is 85 percent.

Benchmark Comparisons:

In *Benchmarking for Quality in Public Service Fleets*, published by the NAFA Foundation and the National Association of Fleet Administrators (1993) the median PM compliance for 90 police and sedan fleets was 96 percent. In the same study the comparable figure for 74 light truck fleets was 98 percent. Melding the two would give a target PM compliance of 97 percent for SEF. Starting with FY2002, the Department will annually increase its compliance objective from the original 80 percent until it reaches the 97 percent level in FY2005.

Background and Strategies:

PM compliance is the most important and most difficult task in fleet management. Regularly scheduled service and inspection of vehicles and equipment is the cornerstone of fleet safety, operating integrity, and low maintenance costs. The main components of a preventive maintenance program are regular, pre-determined inspections that include lubrication and service. Adherence to the schedules will help extend machine service life, improve availability and reliability, and reduce major component repair and replacement expenses.

The SEF foremen and superintendents are provided frequent updates of those vehicles that are due or overdue for preventive maintenance.

Barriers to reaching or surpassing this measure include:

- The failure of the user agency to appreciate the value of preventive maintenance and therefore fail to bring the vehicle in for its inspection when requested by SEF;
- The inability of the user agency to bring the vehicle in if it is being used during the State's limited construction season. This can be alleviated by scheduling preventive maintenance at the end of the construction season or during the winter months when the vehicle is not in use; and
- In FY2001 1,000 attachments (plows, snow wings, etc.) were added to the PM schedule. In FY2003 up to 650 DOT&PF vehicles will be converted from dry to wet increasing the number of PM vehicles. These increases will make it difficult to meet the 90 percent goal for FY2003.

All vehicle-operating departments need to have PM compliance as one of their performance measures.

Measure:

The average down time for light duty, actively used equipment in urban areas.

Sec 147(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

State Equipment Fleet is tracking downtime for light duty vehicles in urban areas. SEF Headquarters developed a computer program to accomplish this. In FY2001 statewide average downtime for light duty, urban vehicles was 7.3 percent. The regional range was from 5.8 to 11.3 percent. For the first three months of FY2002 the downtime rate was 4.4 percent with the three regions ranging from 1.2 to 5.2 percent.

Benchmark Comparisons:

In the 1993 NAFA Foundation study the median downtime rate for 68 sedan and police and 42 light truck fleets was 2 percent.

Background and Strategies:

SEF is responsible for the overall management of the state's vehicle and equipment resources. It is a service organization providing equipment support services to all state agencies. Equipment can not perform its function when it is down for any reason. Fleets must manage this parameter. PM compliance, staffing levels, parts availability, and adequate staff training can affect downtime of a vehicle. Education of staff is essential to assure that data entry for opening and closing dates of work orders are consistent throughout SEF.

Some of the improvement in this measure between FY2001 and FY2002 can be attributed to more accurate coding of the opening and closing dates of the work orders.

The continued increase in PM compliance will help reduce downtime.

Measure:

Number of locations of the state equipment fleet whose rates are equal to or less than the rental rates published in industry guide books.

Sec 147(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

SEF has completed the comparison of the FY2002 rental rates with the current Rental Rate Blue Book for Construction Equipment published by Primedia Directories. A total of 1,478 vehicles in 162 regional rate classes were included in the study. The types of vehicles were light duty, medium and heavy trucks, heavy equipment, support equipment, trailers, and attachments. SEF rates were lower than those in the Blue Book except for two instances. The SEF rates ranged from 5 percent to 107 percent of the Blue Book rates. The weighted, statewide average for all SEF rates in the study was 34 percent of Blue Book. In FY2001 it was 39 percent.

Benchmark Comparisons:

SEF rates should be lower than published rates.

Background and Strategies:

Service and rate competitiveness is central to the measurement of SEF's performance. If SEF service or rates are not competitive, the customer agency should be allowed to seek alternative and documented solutions elsewhere.

SEF should make a more concerted effort to bill its customers for damage. Billable costs are not included in the SEF operating rates.

State Equipment Fleet
BRU Financial Summary by Component

All dollars in thousands

| | FY2001 Actuals | | | | FY2002 Authorized | | | | FY2003 Governor | | | |
|--------------------------------------|------------------|------------------|-----------------|-----------------|-------------------|------------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| Central State Equipment Fleet | 0.0 | 0.0 | 7,174.6 | 7,174.6 | 0.0 | 0.0 | 7,559.9 | 7,559.9 | 0.0 | 0.0 | 7,861.2 | 7,861.2 |
| Northern State Equipment Fleet | 0.0 | 0.0 | 9,648.8 | 9,648.8 | 0.0 | 0.0 | 10,287.7 | 10,287.7 | 0.0 | 0.0 | 10,679.8 | 10,679.8 |
| Southeast State Equipmnt Fleet | 0.0 | 0.0 | 1,532.9 | 1,532.9 | 0.0 | 0.0 | 1,721.1 | 1,721.1 | 0.0 | 0.0 | 1,805.4 | 1,805.4 |
| Totals | 0.0 | 0.0 | 18,356.3 | 18,356.3 | 0.0 | 0.0 | 19,568.7 | 19,568.7 | 0.0 | 0.0 | 20,346.4 | 20,346.4 |

State Equipment Fleet

Proposed Changes in Levels of Service for FY2003

SEF is implementing the approved recommendations included in the independent fleet review report of 12/2000. Changes include transferring several M&O general fund mechanic positions to SEF and providing SEF services to all departments at the locations where the former M&O mechanics were based. All DOT&PF vehicles that did not receive SEF preventive maintenance and repair will now receive those services in FY2003.

As recommended by the consulting review, SEF is in process of issuing a RFP to upgrade or replace its existing equipment management system.

The PM compliance goal for FY2003 is 90 percent.

State Equipment Fleet

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 19,568.7 | 19,568.7 |
| Adjustments which will continue current level of service: | | | | |
| -Central State Equipment Fleet | 0.0 | 0.0 | 156.3 | 156.3 |
| -Northern State Equipment Fleet | 0.0 | 0.0 | 219.9 | 219.9 |
| -Southeast State Equipmnt Fleet | 0.0 | 0.0 | 54.6 | 54.6 |
| Proposed budget increases: | | | | |
| -Central State Equipment Fleet | 0.0 | 0.0 | 145.0 | 145.0 |
| -Northern State Equipment Fleet | 0.0 | 0.0 | 172.2 | 172.2 |
| -Southeast State Equipmnt Fleet | 0.0 | 0.0 | 29.7 | 29.7 |
| FY2003 Governor | 0.0 | 0.0 | 20,346.4 | 20,346.4 |

Component: Central Region State Equipment Fleet

Contact: Chris Kepler, Maintenance Chief

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Component Mission

The mission of the Statewide State Equipment Fleet is to allocate, maintain, and manage state-owned vehicles, equipment, and attachments for safe and appropriate use.

Component Services Provided

- Provide regular maintenance and minor repair of 2,054 pieces of equipment, at 101 locations, including lubrication, oil filter changes, tune-up, safety inspections, hydraulic fluid changes, window repair, brake adjustments, lamp and drive belt replacement and tire repairs.
- Provide unscheduled maintenance and major repairs, including major engine and drive component rebuilds, hydraulic and electrical system repairs, body repairs, and defroster, heating and cooling system repairs.
- Provide parts, supplies and expediting service to efficiently maintain and repair equipment.
- Identify equipment for replacement and coordinate with SEF Headquarters to develop equipment specifications for procurement of new vehicles and attachments.
- Provide vehicle inventory and cost reports to user agencies, research discrepancies in billing and assignment of vehicles, and provide bulk fuel billing and tracking services, if requested by the customer.

Component Goals and Strategies

- Provide State Agencies with essential vehicles and other mobile equipment and attachments and minimize equipment downtime to enable State Agencies to efficiently carry out their missions.
- Procure, replace and modify vehicles and other mobile equipment in the most cost-efficient manner to minimize cost to users.
- Use and maintain Equipment Management System (EMS) to track vehicle history, assignment, operating costs and service records.
- Provide routine maintenance and repairs of vehicles and equipment.
- Maintain procurement programs for equipment, parts and other expendables.
- Coordinate with user agencies to deliver parts and equipment to shops for repairs and maintenance.
- Provide user agencies with a dependable rental pool for short term needs.
- Implement approved recommendations made by DMG Maximus, an independent consultant.

Key Component Issues for FY2002 – 2003

The Department's goal is to run the State Equipment Fleet as efficiently and safely as possible. To do that the following issues will be dealt with during the next couple of years:

- Identify waste streams to reduce hazardous waste in our shops.
- Provide for commonality of parts and repair procedures in an effort to standardize the fleet equipment.
- Parts delivery and return - coordinate with vendors and users to deliver parts to remote camps.
- Update the major shops from book to computerized repair information. This update will provide better access to factory information for FY03 and save money over book purchases.
- Update remote shops for computerized access to the Management System and internet/email. This is needed to implement DMG recommendations regarding management access to current data.
- Seek training methods and availability that provide technical training locally at a reasonable cost.
- Implement and train staff on new Equipment Management System (EMS) software to more accurately track vehicle costs, usage and replacement.
- Deal with increased pressure on Fleet operations and make the remaining equipment uptime an increased priority due to the elimination of Heavy Duty pools in FY02.

As part of the effort to improve how we do business, we plan to implement most of DMG Maximus' recommendations from their December 2000 independent fleet study. That implementation will affect staffing levels, customer relations and financial management for FY03.

Major Component Accomplishments in 2001

- Received 410 new/additional vehicles, equipment and attachments into the region in fiscal year 2001; evaluated for compliance to bid specifications and assigned to appropriate agencies.
- Received and processed 63 vehicles destined for other regions.
- Provided maintenance for 2,054 wet rental vehicles and attachments.

Statutory and Regulatory Authority

- AS 44.68.210 - 44.68.250 State Government Approval of Rates
- AS 02 Aeronautics
- AS 19 Highways
- AS 35 Public Contracts
- AAC 17 DOT&PF

Central Region State Equipment Fleet

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|-----------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 4,030.1 | 4,273.8 | 4,480.1 |
| 72000 Travel | 56.2 | 73.5 | 73.5 |
| 73000 Contractual | 936.4 | 958.4 | 1,063.4 |
| 74000 Supplies | 2,079.6 | 2,194.2 | 2,194.2 |
| 75000 Equipment | 72.3 | 60.0 | 50.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 7,174.6 | 7,559.9 | 7,861.2 |
| Funding Sources: | | | |
| 1007 Inter-Agency Receipts | 30.6 | 0.0 | 0.0 |
| 1026 Highway Working Capital Fund | 7,144.0 | 7,559.9 | 7,861.2 |
| Funding Totals | 7,174.6 | 7,559.9 | 7,861.2 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|-----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 12,530.2 | 15,842.3 | 15,842.3 | 16,281.2 | 16,327.0 |
| Unrestricted Total | | 12,530.2 | 15,842.3 | 15,842.3 | 16,281.2 | 16,327.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 30.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Total | | 30.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Estimated Revenues | | 12,560.8 | 15,842.3 | 15,842.3 | 16,281.2 | 16,327.0 |

Central Region State Equipment Fleet**Proposed Changes in Levels of Service for FY2003**

- Conversion of DRY Rental DOT Equipment to WET Rental.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 7,559.9 | 7,559.9 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 166.3 | 166.3 |
| -Transfer to Southeast Region State Equipment Fleet for personal services | 0.0 | 0.0 | -10.0 | -10.0 |
| Proposed budget increases: | | | | |
| -Increase HWCF Authority for State Equipment Fleet Rate Increases | 0.0 | 0.0 | 145.0 | 145.0 |
| FY2003 Governor | 0.0 | 0.0 | 7,861.2 | 7,861.2 |

Central Region State Equipment Fleet

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 70 | 72 | Annual Salaries | 3,270,897 |
| Part-time | 1 | 1 | COLA | 118,687 |
| Nonpermanent | 0 | 0 | Premium Pay | 92,352 |
| | | | Annual Benefits | 1,268,548 |
| | | | <i>Less 5.69% Vacancy Factor</i> | (270,384) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 71 | 73 | Total Personal Services | 4,480,100 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|----------|-----------|-----------|
| Accounting Clerk I | 2 | 0 | 0 | 0 | 2 |
| Administrative Assistant | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk III | 2 | 0 | 0 | 0 | 2 |
| Dist Equip Manager | 1 | 0 | 0 | 0 | 1 |
| Dist Equipment Supt | 2 | 0 | 0 | 0 | 2 |
| Equip Operations Analyst | 1 | 0 | 0 | 0 | 1 |
| Equip Operator Jrny III/Lead | 0 | 0 | 0 | 3 | 3 |
| Mech Auto Foreman I | 0 | 0 | 0 | 1 | 1 |
| Mech Auto Foreman II | 2 | 0 | 0 | 1 | 3 |
| Mech Auto Journey | 1 | 0 | 0 | 0 | 1 |
| Mech Auto Lead/Spec | 17 | 0 | 0 | 26 | 43 |
| Mech Auto Sub Journey | 1 | 0 | 0 | 4 | 5 |
| Stock & Parts Svcs Journey II | 2 | 0 | 0 | 2 | 4 |
| Stock & Parts Svcs Lead | 1 | 0 | 0 | 0 | 1 |
| Stock & Parts Svcs Sub Journey | 2 | 0 | 0 | 1 | 3 |
| Totals | 35 | 0 | 0 | 38 | 73 |

Component: Northern Region State Equipment Fleet

Contact: James H. Little, Northern Region M&O Director

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Component Mission

The mission of the State Equipment Fleet is to allocate, maintain, and manage state-owned vehicles, equipment, and attachments for safe and appropriate use.

Component Services Provided

- Provide regular maintenance and minor repair of 1,781 pieces of equipment, including lubrication, oil filter changes, tune-ups, safety inspections, hydraulic fluid changes, window repair, brake adjustments, lamp and drive belt replacement, and tire repairs and replacement.
- Provide unscheduled maintenance and major repairs, including major engine and drive component rebuilds, hydraulic and electrical system repairs, body repairs, and defroster, heating and cooling system repairs.
- Provide parts, supplies, and expediting service to efficiently maintain and repair equipment.
- Identify equipment for replacement and coordinate with SEF Headquarters to develop equipment specifications required to procure new vehicles and attachments.
- Provide vehicle inventory and cost reports to user agencies, research discrepancies in billing and assignment of vehicles, and provide bulk fuel billing and tracking services.

Component Goals and Strategies

- Provide State agencies with vehicles and other mobile equipment and attachments and minimize equipment downtime to enable State agencies to efficiently carry out their missions.
- Implement the approved recommendations made by the DMG Maximus (consultant) review.
- Procure, replace, and modify vehicles and other mobile equipment in the most cost-efficient manner to minimize costs to users.
- Use and maintain the Equipment Management System (EMS) to track vehicle history, assignment, operating costs, and service records.
- Act as an authorized service center for State-owned General Motors (GM) vehicles, allowing in-house warranty work.
- Access the most current repair and operating manuals on-line through Internet web sites and CD based repair manuals.
- Coordinate with user agencies to deliver parts and equipment to shops for repairs and maintenance.
- Provide user agencies with a dependable light-duty rental pool for short-term needs.
- Maintain a cost efficient procurement program for parts, services, tools, and other expendables.
- Maintain a revolving inventory to minimize downtime of light- and heavy-duty equipment.

Key Component Issues for FY2002 – 2003

- Waste management – identify waste streams to reduce hazardous waste in our shops.
- Training – look for training methods and availability that provide technical training locally at a reasonable cost. Also, establish an apprenticeship program through a union letter of agreement to train heavy-duty mechanics to fill projected needs due to attrition.
- Standardization of fleet equipment – provide for commonality of parts and repair procedures.
- Equipment Management System (EMS) - implement and train on new software to more accurately track vehicle costs, usage, and replacement based on the results of the RFQ for a new management system.
- Parts delivery and return – coordinate with users to deliver parts to and from remote camps.
- Preventive Maintenance (PM) – perform and track PMs on dry vehicles that are not in compliance with State Equipment Fleet's established maintenance policies while maintaining PMs on current wet fleet vehicles to reduce more expensive repair costs on vehicles.
- Heavy Duty Fleet – eliminated heavy-duty vehicle rental pool in compliance with recommendations made by DMG Maximus.
- DMG (consultant) Review – Implement all approved recommendations in compliance with State Equipment Fleet Headquarters' schedule. It is estimated that this will take about 2-3 years to fully implement.

Major Component Accomplishments in 2001

- Placed full-time mechanic at our Barrow Shop to service vehicles in area and assist Maintenance and Operations Highways and Aviation with their duties.
- Received 128 new vehicles, equipment, and attachments into the region in fiscal year 2001; evaluated for compliance to bid specifications, and assigned to appropriate agencies.
- Currently there are 2,937 vehicles assigned to Northern Region State Equipment Fleet.
- Met and/or surpassed all performance measures established by the Legislature for FY2001.

Statutory and Regulatory Authority

AS 02 – Aeronautics
AS 19 – Highways and Ferries
AS 36 – Public Contracts
AS 44.68 – State Government
2 AAC 12 – Procurement
AAC 17 – Department of Transportation and Public Facilities

Northern Region State Equipment Fleet

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|-----------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 5,472.6 | 5,843.8 | 6,104.7 |
| 72000 Travel | 188.7 | 162.0 | 162.0 |
| 73000 Contractual | 1,363.9 | 1,346.0 | 1,518.2 |
| 74000 Supplies | 2,609.8 | 2,887.9 | 2,846.9 |
| 75000 Equipment | 13.8 | 48.0 | 48.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 9,648.8 | 10,287.7 | 10,679.8 |
| Funding Sources: | | | |
| 1026 Highway Working Capital Fund | 9,648.8 | 10,287.7 | 10,679.8 |
| Funding Totals | 9,648.8 | 10,287.7 | 10,679.8 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|-----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 14,372.2 | 16,398.2 | 16,398.2 | 16,658.5 | 16,993.0 |
| Unrestricted Total | | 14,372.2 | 16,398.2 | 16,398.2 | 16,658.5 | 16,993.0 |
| Restricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Estimated Revenues | | 14,372.2 | 16,398.2 | 16,398.2 | 16,658.5 | 16,993.0 |

Northern Region State Equipment Fleet

Proposed Changes in Levels of Service for FY2003

- In order to maintain all fleet assets assigned to Northern Region Highways and Aviation, SEF will transition these vehicles from the Dry to the Wet rental program. Highways and Aviation will transfer two permanent full-time operator positions to State Equipment Fleet and one new position will be added.
- Perform necessary tasks within Northern Region to meet or surpass the performance measures established by the Legislature for FY2003 including: ensure 90 percent compliance of preventive maintenance for wet rentals, reduce downtime for light-duty vehicles in urban areas, and increase the number of locations where SEF rental rates are equal to or less than the rental rates published in industry guide books.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 10,287.7 | 10,287.7 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 229.9 | 229.9 |
| -Transfer to Southeast Region State Equipment Fleet for personal services | 0.0 | 0.0 | -10.0 | -10.0 |
| Proposed budget increases: | | | | |
| -Increase HWCF Authority for State Equipment Fleet Rate Increases | 0.0 | 0.0 | 172.2 | 172.2 |
| FY2003 Governor | 0.0 | 0.0 | 10,679.8 | 10,679.8 |

Northern Region State Equipment Fleet

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|----------------------------------|------------------|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 84 | 86 | Annual Salaries | 4,349,077 |
| Part-time | 2 | 3 | COLA | 161,040 |
| Nonpermanent | 0 | 0 | Premium Pay | 214,991 |
| | | | Annual Benefits | 1,641,447 |
| | | | <i>Less 4.11% Vacancy Factor</i> | (261,855) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 86 | 89 | Total Personal Services | 6,104,700 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|----------|-----------|-----------|
| Accounting Clerk I | 0 | 1 | 0 | 0 | 1 |
| Administrative Assistant | 0 | 0 | 0 | 1 | 1 |
| Administrative Clerk II | 0 | 1 | 0 | 1 | 2 |
| Administrative Clerk III | 0 | 1 | 0 | 0 | 1 |
| Administrative Manager I | 0 | 1 | 0 | 0 | 1 |
| Dist Equip Manager | 0 | 1 | 0 | 0 | 1 |
| Dist Equipment Supt | 0 | 2 | 0 | 2 | 4 |
| Equip Operator Jrny III/Lead | 0 | 0 | 0 | 3 | 3 |
| Mech Auto Foreman I | 0 | 0 | 0 | 1 | 1 |
| Mech Auto Foreman II | 0 | 2 | 0 | 3 | 5 |
| Mech Auto Journey | 0 | 4 | 0 | 2 | 6 |
| Mech Auto Lead/Spec | 0 | 11 | 0 | 39 | 50 |
| Mech Auto Sub Journey | 0 | 2 | 0 | 2 | 4 |
| Stock & Parts Svcs Journey II | 0 | 4 | 0 | 3 | 7 |
| Stock & Parts Svcs Lead | 0 | 1 | 0 | 0 | 1 |
| Stock & Parts Svcs Sub Journey | 0 | 1 | 0 | 0 | 1 |
| Totals | 0 | 32 | 0 | 57 | 89 |

Component: Southeast Region State Equipment Fleet

Contact: Greg Patz, Transportation Chief

Tel: (907) 465-1784 **Fax:** (907) 465-2021 **E-mail:** Greg_Patz@dot.state.ak.us

Component Mission

To maintain and manage state-owned vehicles, equipment and attachments for safe and appropriate use.

Component Services Provided

- Provide routine maintenance and repairs of vehicles and equipment, including lubrication, oil and hydraulic fluid changes, tune-ups, cooling system inspections, safety inspections, window repairs, brake adjustments, lamp and drive belt replacements and tire repairs.
- Provide replacement of wearing parts such as tires, crawler tracks, brakes and hydraulic lines.
- Provide major maintenance and repairs, including major engine and drive component rebuilds, hydraulic and electrical system repairs, body and frame repairs, and heater, defroster and cooling system repairs.
- Maintain management systems for vehicles and parts, including servicing and replacement schedules, parts and equipment inventories and operating cost records.
- Maintain procurement programs for equipment, parts and other expendables.
- Develop procurement specifications and obtain bids for equipment and supplier contracts.
- Maintain rental pool vehicles for client use.
- Work with Headquarters State Equipment Fleet (SEF) to maximize revenue received for excess vehicles sold by auction.

Component Goals and Strategies

Provide State agencies with essential vehicles and other mobile equipment and attachments and minimize equipment downtime to enable State agencies to efficiently carry out their missions.

- Procure, replace and modify vehicles and other mobile equipment in the most cost-efficient manner to minimize costs to users.
- Utilize and maintain Equipment Management System (EMS) to track vehicle history, assignment, operating costs and service records.
- Provide routine maintenance and repairs of vehicles and equipment.
- Maintain procurement programs for equipment, parts and other expendables.
- Coordinate with user agencies to deliver parts and equipment to shops for repairs and maintenance.
- Provide user agencies with a dependable rental pool for short term needs.

Key Component Issues for FY2002 – 2003

- Equipment replacement: explore avenues to replace critical highway maintenance equipment that has exceeded its useful life and has not accumulated replacement monies. Incrementally upgrade airport maintenance equipment by identifying high priority equipment for FAA funding.
- Improve capabilities of mechanics by providing technical training to update skills.
- Improve status of preventative maintenance services by ensuring the most critical equipment receives scheduled services on time and seeking ways to increase productivity.
- Implementation of DMG Maximus Report recommendations: implement changes directed at improving efficiency of equipment maintenance operations, reducing equipment maintenance costs, and improving service to outside agencies.

Major Component Accomplishments in 2001

- Placed four new major pieces of equipment in service: Road grader at Klawock, service truck and pick up truck at Skagway, and heavy equipment trailer at Yakutat. Placed orders for seven additional pieces of equipment.

- Surveyed unassigned vehicles and sold excess vehicles. Held two auctions; sold approximately 60 vehicles. Proceeds were returned to client agencies.

Statutory and Regulatory Authority

- AS 02
- AS 19
- AS 35
- AS 44
- AAC 17

Southeast Region State Equipment Fleet

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|-----------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 902.4 | 1,001.8 | 1,086.4 |
| 72000 Travel | 8.9 | 10.6 | 10.6 |
| 73000 Contractual | 177.5 | 180.3 | 210.0 |
| 74000 Supplies | 444.1 | 528.4 | 498.4 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,532.9 | 1,721.1 | 1,805.4 |
| Funding Sources: | | | |
| 1026 Highway Working Capital Fund | 1,532.9 | 1,721.1 | 1,805.4 |
| Funding Totals | 1,532.9 | 1,721.1 | 1,805.4 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 2,975.2 | 3,057.5 | 3,057.5 | 3,151.7 | 3,172.8 |
| Unrestricted Total | | 2,975.2 | 3,057.5 | 3,057.5 | 3,151.7 | 3,172.8 |
| Restricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Estimated Revenues | | 2,975.2 | 3,057.5 | 3,057.5 | 3,151.7 | 3,172.8 |

Southeast Region State Equipment Fleet

Proposed Changes in Levels of Service for FY2003

- Conversion of the Sitka station from dry to wet, will place all equipment under SEF operating rates and require a full-time mechanic on staff to provide vehicle service..
- Improve service to outside agencies by defining level of service and improving coordination with equipment users.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 1,721.1 | 1,721.1 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 34.6 | 34.6 |
| -Central and Northern Region SEF to provide partial funding for new mechanic position in Sitka | 0.0 | 0.0 | 20.0 | 20.0 |
| Proposed budget increases: | | | | |
| -Increase HWCF Authority for State Equipment Fleet Rate Increases | 0.0 | 0.0 | 29.7 | 29.7 |
| FY2003 Governor | 0.0 | 0.0 | 1,805.4 | 1,805.4 |

Southeast Region State Equipment Fleet

Personal Services Information

| Authorized Positions | | Personal Services Costs | |
|----------------------|-------------------|-------------------------|--|
| | <u>FY2002</u> | <u>FY2003</u> | |
| | <u>Authorized</u> | <u>Governor</u> | |
| Full-time | 16 | 17 | Annual Salaries 762,667 |
| Part-time | 0 | 0 | COLA 28,619 |
| Nonpermanent | 0 | 0 | Premium Pay 37,370 |
| | | | Annual Benefits 300,329 |
| | | | Less 3.77% Vacancy Factor (42,585) |
| | | | Lump Sum Premium Pay 0 |
| Totals | 16 | 17 | Total Personal Services 1,086,400 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-------------------------------|-----------|-----------|-----------|----------|-----------|
| Administrative Clerk II | 0 | 0 | 1 | 0 | 1 |
| Dist Equipment Supt | 0 | 0 | 1 | 0 | 1 |
| Equip Operator Jrny III/Lead | 0 | 0 | 0 | 2 | 2 |
| Mech Auto Foreman II | 0 | 0 | 1 | 0 | 1 |
| Mech Auto Lead/Spec | 0 | 0 | 5 | 5 | 10 |
| Stock & Parts Svcs Journey I | 0 | 0 | 1 | 0 | 1 |
| Stock & Parts Svcs Journey II | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 10 | 7 | 17 |

Measurement Standards & Comm Vehicle Enforcement Budget Request Unit

Contact: Aves D. Thompson, Director

Tel: (907) 345-7750 **Fax:** (907) 345-6835 **E-mail:** Aves_Thompson@dot.state.ak.us

BRU Mission

The mission of the Division of Measurement Standards and Commercial Vehicle Enforcement is to provide public protection and preservation of the state's transportation infrastructure by enforcing federal and state statutory and regulatory requirements in the truck size, weight and safety enforcement program, and the weights and measures program.

BRU Services Provided

- Commercial Vehicle Size, Weight and Safety program
- Weights and Measures program
- Metrology Laboratory

BRU Goals and Strategies

To provide protection for the motoring public;
To provide equity in the marketplace by creating a level playing field;
Maintain confidence in the accuracy of commercial marketplace measurements; &
To protect the State's investment in infrastructure.

Key BRU Issues for FY2002 – 2003

see component

Major BRU Accomplishments in 2001

see component

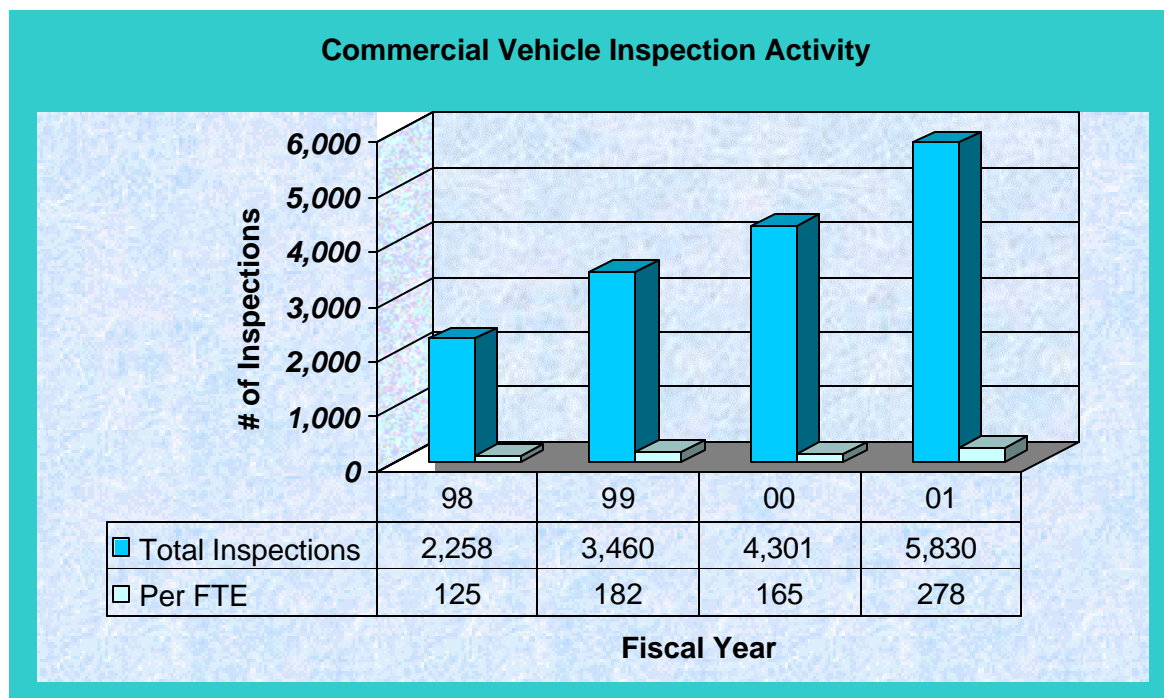
Key Performance Measures for FY2003

Measure:

Safety inspections per full-time equivalent employee of the division.
Sec 148(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

During FY2001 actual performance was 278 inspections per full-time-equivalent employee of the division compared to 165 per full-time-equivalent employee in FY00. The Division completed 5,830 inspections during FY2001.

**Benchmark Comparisons:**

To date, there is no established national standard for this performance measure, although, the Department's goal is to reach 8,000 - 10,000 inspections per year.

Background and Strategies:

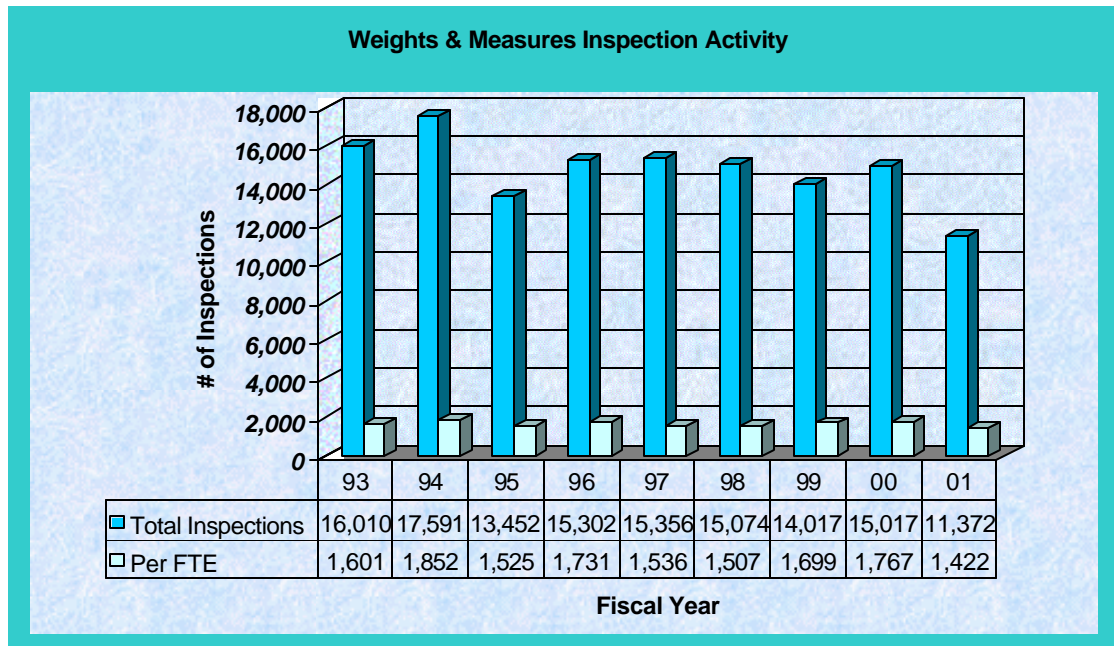
The division anticipates further efficiencies through streamlining the inspection process by implementing electronic inspection reporting at the field level. Two laptops were deployed in September to test this new electronic reporting system and five more were deployed throughout the fiscal year. In addition nine out of the ten fixed weigh stations are now testing this new electronic inspection reporting system. During FY01 six employees were trained in motorcoach safety inspection, five in compliance review, five in hazardous materials, three in motor carrier safety grants management and five on the Safetynet program.

Measure:

Weighing and measuring device inspections conducted per full-time equivalent employee of the division.
Sec 148(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

During FY2001, there were a total of 11,372 weighing and measuring devices inspected for a total of 1,422 inspection conducted per full-time-equivalent employee of the division compared to 1,767 inspections conducted per full-time-equivalent employee in FY00.



Benchmark Comparisons:

To date, there is no established national standard for this performance measure. Although, the Department's goal is to maintain a level of 16,000 inspections per year based upon a 0% vacancy factor.

Background and Strategies:

The predominant factor influencing this measure is the number of available inspection hours. We expect to enhance our productivity by utilizing a new Weights & Measures software program, reducing the need for redundant data entry. This productivity enhancement should enable us to achieve 1,600 inspections per full-time-equivalent employee of the division.

Measurement Standards & Comm Vehicle Enforcement

BRU Financial Summary by Component

All dollars in thousands

| | FY2001 Actuals | | | | FY2002 Authorized | | | | FY2003 Governor | | | |
|----------------------------|------------------|------------------|----------------|----------------|-------------------|------------------|----------------|----------------|------------------|------------------|----------------|----------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| Measurement Standards | 1,941.8 | 0.0 | 2,090.2 | 4,032.0 | 2,005.0 | 0.0 | 2,629.5 | 4,634.5 | 2,044.8 | 0.0 | 2,891.7 | 4,936.5 |
| DOT State Facilities Rent | 0.0 | 0.0 | 11.4 | 11.4 | 11.4 | 0.0 | 0.0 | 11.4 | 11.4 | 0.0 | 0.0 | 11.4 |
| Totals | 1,941.8 | 0.0 | 2,101.6 | 4,043.4 | 2,016.4 | 0.0 | 2,629.5 | 4,645.9 | 2,056.2 | 0.0 | 2,891.7 | 4,947.9 |

Measurement Standards & Comm Vehicle Enforcement**Proposed Changes in Levels of Service for FY2003**

The Division proposes changes in the level of service by the following:

- Hire one new Long Term, Non Permanent Microcomputer Network Technician II to assist the division Information Technology staff in providing support for training, implementation, upgrades and maintenance on present IT systems and networks as well as information technology systems the division is now beginning to implement.
- Metrology Laboratory personnel will travel to remote locations to test and certify field standard liquid provers. Certified standards are required for Weights & Measures Inspectors to test remote location fuel meters.
- Provide for the ongoing ability to maintain and repair hardware and software utilized by outlying weigh stations as well as to maintain the network connectivity necessary to exchange and update commercial vehicle data with headquarters and other weigh stations required by federal commercial vehicle program guidelines.
- Weights & Measures Inspectors will utilize a new database and data communications program which offers data centralization features that will enhance and harmonize enforcement efforts.
- A new Data/DSL connection will be installed in our Juneau office to eliminate the costly dial-up connection which is very unreliable with frequent disconnects to the user.
- Allow for a recertification program of test weights and equipment in the outlying locations by establishing a pre-determined schedule.
- Provide for a regularly scheduled preventative maintenance contract on all static scales at weigh stations throughout the state.

Measurement Standards & Comm Vehicle Enforcement**Summary of BRU Budget Changes by Component****From FY2002 Authorized to FY2003 Governor**

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 2,016.4 | 0.0 | 2,629.5 | 4,645.9 |
| Adjustments which will continue current level of service: | | | | |
| -Measurement Standards | 39.8 | 0.0 | 62.2 | 102.0 |
| Proposed budget increases: | | | | |
| -Measurement Standards | 0.0 | 0.0 | 200.0 | 200.0 |
| FY2003 Governor | 2,056.2 | 0.0 | 2,891.7 | 4,947.9 |

Component: Measurement Standards & Commercial Vehicle Enforcement

Contact: Aves D. Thompson, Director

Tel: (907) 345-7750 **Fax:** (907) 345-6835 **E-mail:** Aves_Thompson@dot.state.ak.us

Component Mission

The mission of the Division of Measurement Standards and Commercial Vehicle Enforcement is to provide public protection and preservation of the state's transportation infrastructure by enforcing federal and state statutory and regulatory requirements in the truck size, weight and safety enforcement program, and the weights and measures program.

Component Services Provided

Size, Weight and Safety:

- **Oversize/Overweight commercial motor vehicle (CMV) Permits** - Issues oversize/overweight permits. A permit specifies the routes and conditions under which vehicles or loads that exceed legal dimensions and weight limitations set by statute and regulation may move on the state highway system. Danger and inconvenience to the travelling public is minimized and potential damage to the highway structures and bridges is reduced.
- **Weigh Stations** - Operates ten-fixed weigh stations at key locations across the state. Vehicles are weighed and inspected, the objectives of which are to minimize non compliant commercial vehicle operators by ensuring that drivers and vehicles meet federal and state operating requirements and operate in a safe and responsible manner, as well as within applicable size and weight permit limitations.
- **Mobile Units** - Performs roadside CMV inspections using mobile inspection teams. The key objective is to provide size, weight and safety inspections at random roadside locations throughout the state.
- **Commercial Motor Vehicle Safety Training and Crash Inspection** - Provide training and coordination of secondary size, weight and safety enforcement activity to other state and local enforcement agencies. As requested, perform vehicle inspections at CMV crashes.
- **Commercial Vehicle Enforcement Outreach** - Provide on-site training in commercial vehicle safety and enforcement for local police departments, Alaska State Troopers, and commercial vehicle operators, mechanics and other management and support personnel.

Weights and Measures:

- **Package Testing Program** - Tests prepackaged commodities at the wholesale and retail level. This function protects both consumers and merchants to ensure that the stated net weight or volume is accurate.
- **Scales Testing Program** - Inspect, test and certify the accuracy of scales used in commerce within the state. This includes scales used in the fishing, construction, warehousing and freight industries, as well as scales in retail stores. This function protects both consumers and merchants by ensuring that scales do not overstate or understate actual product being measured. Also inspect at-sea fish processor scales through a contractual agreement with the U.S. Department of Commerce, National Marine Fisheries Service for scales used in the Bering Sea Pollock fisheries.
- **Scanner Testing Program** - Tests the accuracy scanners used at retail points of sale to ensure proper pricing of products. This function protects both consumers and merchants by ensuring that scanners do not overcharge or undercharge products available for sale.
- **Petroleum Testing Program** - Inspect, test and certify the accuracy of a variety of fuel meters used in commerce within the state. This function protects both consumers and merchants by ensuring that meters do not overstate or understate the volume of fuel being sold.

Metrology Lab:

- Provides testing, calibration and certification of standards for mass, length, volume and speed detection to federal, state and local government organizations as well as to the private sector.
- **Mass Measurement** - Test and calibrate mass standards up to 1,000 lbs. The laboratory evaluates and adjusts test weights used by state weights and measures inspectors for field testing in the scale-testing program. The standards used by the state weights and measures inspectors must be tested and certified on an annual basis as prescribed by Alaska statutes. Mass measurement services are also provided for industry and other government entities.
- **Length Measurement** - Test and calibrate length standards. Provide testing and calibration of graduated tapes up to 100 feet in length.

- Volumetric Measurement - Test and calibrate test volumes up to 1,500 gallons. The laboratory evaluates and adjusts test measures and provers used by state weights and measures inspectors for field testing in the petroleum testing program. The standards used by the state weights and measures inspectors must be tested and certified on an annual basis as prescribed by Alaska Statutes. Volumetric testing services are also conducted for industry and other government entities.
- Speed Detection Unit Testing - Test speed detection units (radar guns) used in law enforcement. Testing includes evaluation of tuning forks used with the device, as well as testing for correct operation of the device itself. Services are provided for federal, state and local law enforcement organizations.

Component Goals and Strategies

To provide protection for the motoring public:

- Maintain and upgrade weigh station and truck inspection enforcement facilities through performing deferred maintenance.
- Implement Commercial Vehicle Information Systems and Networks (CVISN) initiatives to provide web based oversize/overweight permit issuance, electronic commercial vehicle screening at the Glenn Outbound Weigh Station and continue to deploy laptops to roadside commercial vehicle inspectors.
- Promote safe and efficient movement of commercial motor vehicle traffic on the state highway system.

To provide equity in the marketplace by creating a level playing field:

- Increase mobile commercial vehicle enforcement so non-compliant vehicles and operators have the same probability of being inspected.
- Continue contracting with local and regional law enforcement agencies to perform commercial motor vehicle safety inspections.
- Implement the Weights and Measures information system.
- Replace/upgrade Weights and Measures vehicles and test equipment.
- Provide precision measurement services to government and industry.
- Maintain confidence in the accuracy of commercial marketplace measurements.

To protect the State's investment in infrastructures:

- Regulate the incidence of oversize and overweight vehicle loads in order to extend the functional life of the states highway structure and bridges.
- Pursue long term funding alternatives for the commercial vehicle size, weight and safety program.
-

Key Component Issues for FY2002 – 2003

- The Division will continue to implement the projects identified in the Alaska ITS/CVO Business Plan, as accepted by the Federal Highway Administration (FHWA). Major efforts will be directed at CVISN Level 1 deployment. Contracts will be let and work begun to computerize the permit program, to establish electronic screening of commercial vehicles at the Glenn Outbound Weigh Station near Anchorage and to continue to deploy laptop computers with wireless communications to Commercial Vehicle Enforcement Officers.
- In the interest of reducing its dependency on general fund revenues, the division increased the weights and measures device registration fees in FY01 as part of a phased process. FY03 would implement the second half of the increase.
- Additional supplemental funding may be available for such activities as commercial bus inspection, drug interdiction, and other commercial vehicle safety related activities.
- The division will focus efforts on the regulation of the safe transport of hazardous materials in the state. A legislative change is proposed to place the responsibility for the enforcement of hazardous materials transportation regulations in the Department.
- The division will continue to develop the Compliance Review (CR) element of our CMV enforcement strategy whereby Commercial Vehicle Enforcement Officers conduct CR's at the carriers place of business.
- The Division will continue to train additional employees in the areas of driver/vehicle safety inspection and Motorcoaches.
- The division will increase rural large fuel meter inspections.

Major Component Accomplishments in 2001

- Increased Commercial Vehicle Safety field inspection personnel, trained all personnel to perform North American Standard (NAS) driver and vehicle inspections, achieved National Certification of all field personnel by the Commercial Vehicle Safety Alliance (CVSA); trained all personnel to perform hazardous materials inspections and cargo tank inspections.
- Received funding approval for \$3.8 million CVISN project.
- Executed timely responses to requests for scale inspection services on private commercial projects and federally funded airport and road construction projects.
- Responded to National Marine Fisheries Services (NMFS) requests for at-sea fish processor inspections.
- Instituted fees for measurement services performed by the Metrology Laboratory.
- Upgraded critical parts of the computer infrastructure. Upgrades were needed to run software established as standards for state as well as federal program requirements.

Statutory and Regulatory Authority

| | |
|--------------|--|
| AS 45.75 | Weights & Measures Act |
| AS 19.10.060 | Size, Weight, & Load Provisions; Restriction On Use of Highways; Commercial Vehicle Inspection Program |
| AS 19.10.300 | Financial Responsibility (Commercial Motor Vehicle) |
| AS 19.10.310 | Commercial Motor Vehicle Safety Inspections |
| 17 AAC 25 | Truck Size, Weight and Safety Regulations |
| 17 AAC 90 | Specifications, Tolerances, and Regulations For Weighing and Measuring Devices |

Measurement Standards & Commercial Vehicle Enforcement

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 3,480.1 | 3,862.9 | 4,321.9 |
| 72000 Travel | 114.7 | 119.7 | 164.7 |
| 73000 Contractual | 321.0 | 548.4 | 346.4 |
| 74000 Supplies | 40.7 | 62.5 | 62.5 |
| 75000 Equipment | 75.5 | 41.0 | 41.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 4,032.0 | 4,634.5 | 4,936.5 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 1,941.8 | 2,005.0 | 2,044.8 |
| 1007 Inter-Agency Receipts | 10.3 | 0.0 | 0.0 |
| 1053 Investment Loss Trust Fund | 81.4 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 597.0 | 1,173.2 | 1,196.2 |
| 1156 Receipt Supported Services | 1,401.5 | 1,456.3 | 1,695.5 |
| Funding Totals | 4,032.0 | 4,634.5 | 4,936.5 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| General Fund Program Receipts | 51060 | 28.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receipt Supported Services | 51073 | 298.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 327.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 10.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receipt Supported Services | 51073 | 1,401.5 | 1,456.3 | 1,456.3 | 1,695.5 | 1,695.5 |
| Capital Improvement Project Receipts | 51200 | 597.0 | 1,173.2 | 1,173.2 | 1,196.2 | 1,196.2 |
| Restricted Total | | 2,008.8 | 2,629.5 | 2,629.5 | 2,891.7 | 2,891.7 |
| Total Estimated Revenues | | 2,336.1 | 2,629.5 | 2,629.5 | 2,891.7 | 2,891.7 |

Measurement Standards & Commercial Vehicle Enforcement**Proposed Changes in Levels of Service for FY2003**

- Hire one new Long Term, Non Permanent Microcomputer Network Technician II to assist the division Information Technology staff in providing support for training, implementation, upgrades and maintenance on present IT systems and networks as well as information technology systems the division is now beginning to implement.
- Metrology Laboratory personnel will travel to remote locations to test and certify field standard liquid provers. Certified standards are required for Weights & Measures Inspectors to test remote location fuel meters.
- Provide for the ongoing ability to maintain and repair hardware and software utilized by outlying weigh stations as well as to maintain the network connectivity necessary to exchange and update commercial vehicle data with headquarters and other weigh stations required by federal commercial vehicle program guidelines.
- Weights & Measures Inspectors will utilize a new database and data communications program which offers data centralization features that will enhance and harmonize enforcement efforts.
- A new Data/DSL connection will be installed in our Juneau office to eliminate the costly dial-up connection which is very unreliable with frequent disconnects to the user.
- Allow for a recertification program of test weights and equipment in the outlying locations by establishing a pre-determined schedule.
- Provide for a regularly scheduled preventative maintenance contract on all static scales at weigh stations throughout the state.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 2,005.0 | 0.0 | 2,629.5 | 4,634.5 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 39.8 | 0.0 | 62.2 | 102.0 |
| Proposed budget increases: | | | | |
| -Add NP network position and funds for inspection travel to remote areas & new data connections | 0.0 | 0.0 | 200.0 | 200.0 |
| FY2003 Governor | 2,044.8 | 0.0 | 2,891.7 | 4,936.5 |

Measurement Standards & Commercial Vehicle Enforcement

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 67 | 67 | Annual Salaries | 3,038,820 |
| Part-time | 6 | 6 | COLA | 71,722 |
| Nonpermanent | 0 | 1 | Premium Pay | 157,103 |
| | | | Annual Benefits | 1,235,511 |
| | | | Less 4.03% Vacancy Factor | (181,256) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 73 | 74 | Total Personal Services | 4,321,900 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------------|-----------|-----------|----------|----------|-----------|
| Accounting Tech I | 1 | 0 | 0 | 0 | 1 |
| Administrative Assistant | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk II | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk III | 7 | 0 | 0 | 0 | 7 |
| Administrative Manager II | 1 | 0 | 0 | 0 | 1 |
| Chf Wgts Meas & Permit | 1 | 0 | 0 | 0 | 1 |
| Comm Vehicle Enforcemnt Off I | 1 | 0 | 0 | 0 | 1 |
| Comm Vehicle Enforcemnt Off II | 12 | 13 | 0 | 7 | 32 |
| Comm Vehicle Enforcemnt Off III | 2 | 1 | 0 | 1 | 4 |
| Division Director | 1 | 0 | 0 | 0 | 1 |
| Engineer/Architect I | 1 | 0 | 0 | 0 | 1 |
| Measure Standards Spvr | 2 | 0 | 0 | 0 | 2 |
| Micro/Network Spec I | 2 | 0 | 0 | 0 | 2 |
| Micro/Network Tech II | 1 | 0 | 0 | 0 | 1 |
| Planner I | 2 | 0 | 0 | 0 | 2 |
| Planner III | 1 | 0 | 0 | 0 | 1 |
| Research Analyst II | 1 | 0 | 0 | 0 | 1 |
| Secretary | 1 | 0 | 0 | 0 | 1 |
| State Metrologist I | 1 | 0 | 0 | 0 | 1 |
| State Metrologist II | 1 | 0 | 0 | 0 | 1 |
| Weights & Meas Insp I | 4 | 0 | 1 | 0 | 5 |
| Weights & Meas Insp II | 4 | 1 | 1 | 0 | 6 |
| Totals | 49 | 15 | 2 | 8 | 74 |

Component: DOT State Facilities Rent

Contact: Aves D. Thompson, Director

Tel: (907) 345-7750 **Fax:** (907) 345-6835 **E-mail:** Aves_Thompson@dot.state.ak.us

Component Mission

To fund necessary maintenance and help prevent future deferred maintenance problems in the eight buildings in the new state facilities rent pool.

Component Services Provided

Continue with the newly formed State Facilities Rent Structure.

Component Goals and Strategies

Improve the condition of state buildings and help prevent future deferred maintenance problems by continuing with the state facilities rent structure.

Key Component Issues for FY2002 – 2003

During years of budget constraints, state buildings have not been adequately maintained, resulting in a serious and expensive deferred maintenance backlog. By implementing a rent structure, the state will be able to recover an estimated \$1.5 million (statewide) in federal and other non-general funds for space occupied in state buildings. General funds now spent on building maintenance and operations by the Department of Transportation and Public Facilities (DOT&PF) for seven state buildings and by the Department of Administration (DOA) for the Atwood Building in Anchorage are being transferred from DOT&PF and DOA to the agencies occupying the buildings in the facilities rent pool. The agencies will pay rent, using these transferred general funds to pay for space occupied by general fund programs and collecting rent from non-general fund sources as appropriate.

Major Component Accomplishments in 2001

Not applicable.

Statutory and Regulatory Authority

Not applicable.

DOT State Facilities Rent
Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|-----------------------|--------------------------|------------------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 0.0 | 0.0 |
| 72000 Travel | 0.0 | 0.0 | 0.0 |
| 73000 Contractual | 11.4 | 11.4 | 11.4 |
| 74000 Supplies | 0.0 | 0.0 | 0.0 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 11.4 | 11.4 | 11.4 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 0.0 | 11.4 | 11.4 |
| 1147 Public Building Fund | 11.4 | 0.0 | 0.0 |
| Funding Totals | 11.4 | 11.4 | 11.4 |

DOT State Facilities Rent**Proposed Changes in Levels of Service for FY2003**

Not applicable.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--------------------------|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 11.4 | 0.0 | 0.0 | 11.4 |
| FY2003 Governor | 11.4 | 0.0 | 0.0 | 11.4 |

Highways and Aviation Budget Request Unit

Contact: Frank T. Richards, Statewide Maintenance Engineer

Tel: (907) 465-3906 **Fax:** (907) 586-8365 **E-mail:** Frank_Richards@DOT.state.ak.us

BRU Mission

The mission is to maintain, safeguard and control the state's infrastructure system of highways, airports and harbors.

BRU Services Provided

- Winter snow and ice control including snow plowing, snow removal, sanding, anti-icing, avalanche control, snow fencing and culvert thawing.
- Summer maintenance including: grading, pothole patching, crack sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Road and airport lighting systems including: Maintenance of traffic signals, intersection and road illumination, harbor electrical service and lighting, and runway and taxiway lights.
- Roadside litter control and trash removal at rest areas, turnouts and campgrounds.
- Control access to State rights of way for driveways, access roads, signs and utilities.

BRU Goals and Strategies

- Maintain and operate State highways, airports and harbors in a manner that assures safe and efficient transportation of both people and freight.
- Cost effectively and properly maintain public infrastructure systems to prevent premature deterioration and costly repairs.
- Monitor and report highway and airport conditions to public in a timely manner.
- Continue the paving of gravel roads and preservation of existing asphalt roads throughout the state.
- Begin use of new Intelligent Transportation System technologies such as Road and Weather Information Systems to better maintain the highways.
- Develop and use a maintenance management system to better manage our resources and gauge our performance.
- Develop an apprentice program for highway and airport equipment operators to have skilled workers ready to replace the large number of retirees in the next few years.

Key BRU Issues for FY2002 – 2003

- A key issue continues to be how to protect Alaska's investment in its current and expanding transportation infrastructure. The State's investments in roads, airports, and harbors are eroding each year due to insufficient maintenance. As the transportation infrastructure continues to age, M&O is faced with ever-increasing list of deferred maintenance needs. Other demands include increases in the cost of labor, materials, electricity and fuel and the addition of new fees that must be paid to other state and federal agencies; and finally the increasing burden of new laws and regulations. The H&A budget has not kept up with these demands and is inadequate to sustain basic preventative maintenance of our infrastructure. Our list of deferred maintenance items is projected to be \$258.5 million for statewide H&A needs. Annual increases to the BRU necessary to preserve existing and new components are \$24 million. Adequate and stable funding is mandatory to properly maintain our infrastructure and provide a suitable level of service to the public.
- Airport security is now a major issue following the events of September 11. Requirements for security are changing to comply with FAA-mandated Emergency Amendments to airport security programs. Additional personnel are needed to perform mandated functions such as security management, inspection, law enforcement, access control, parking area and perimeter patrols, and administrative functions. Along with additional personnel, considerable costs will be incurred to provide remote parking areas, security fences, lighting equipment, access controls and additional security vehicles. The Aviation Security Act will help define Federal requirements for added security and specify whether federal funds will be available.
- Increased costs have been offset slightly through increased productivity and other efficiencies. They are offset to a larger extent by increased reliance on capital funds. General Funds for capital improvements have dwindled in recent years to insignificant levels. Highways and Aviation has made maximum use of federal highway funding to achieve improvements in road surfaces (chip sealing), which decreases maintenance costs for the short term.

These funds are limited to specific maintenance activities such as asphalt and bridge repair and are not available for routine activities such as guardrail repair or snow and ice control. Operating costs, however, have continued to increase and still outweigh the sum of our cost reducing efforts, the infusion of capital funds, and our operating revenues.

- The H&A workforce is aging and nearing retirement. Within the next five years over 30% of the H&A foreman, equipment operators and mechanics will be eligible for retirement. This is the front wave of baby boomers whose departure from the work force will leave a significant gap. There are not sufficient skilled employees within our ranks to fill these vacancies. Recruitment for these positions may also become a problem. Other states are currently unable to hire skilled personnel to fill their needs. The department previously had various grades of operators and mechanics from heavy duty to light duty and laborers. This allowed employees a natural progression as they acquired skills. During previous budget reductions, these lesser skilled positions were deleted to retain higher skilled operators and mechanics. The State must be proactive in planning for departure of skilled workforce so the level of service on our transportation system is not adversely impacted.
- Replace the maintenance stations at Chandalar, East Fork and Willow that were unsafe due to structural deficiencies. Temporary facilities are being used and funded with Emergency funds however they are insufficient to needs of properly maintaining equipment. Design efforts are underway but full funding is necessary to start construction this summer.

Major BRU Accomplishments in 2001

- Applied chip seal, hot mix, or high float asphalt to 206.7 lane miles of road.
- Covered 314 lane miles with crack seal.
- Cut approximately 1,066 centerline miles of brush and trees along our right-of-ways.
- Coordinated parts delivery with State Equipment Fleet at remote camps by using Maintenance and Operations employees to perform this service.
- The Adopt-a-Highway system continues to grow with new volunteer groups enthusiastically participating in clean up of selected segments of highways. A safety video has been developed. A Policies and Procedures Manual for Adopt-a-Highway programs is currently being developed.
- Paved approximately 45 lane miles of gravel roads.
- Coordinated with borough governments to "Pave and Transfer" small roads. Traded road maintenance responsibilities with local city and borough governments to more efficiently sand and plow snow, paint streets, and clean out storm drains.
- Federal CIP project funds were used to replace traffic signal heads with more electrically efficient LED heads. This conversion will save money in electric bills for the Anchorage, Mat-Su, and Kenai Peninsula Districts.
- Completed feasibility study to define a maintenance management system that will best meet the department's current and future needs.

Key Performance Measures for FY2003

Measure:

The number of miles of gravel roads that are surfaced with chip seal, hot mix, or high float asphalt for the first time, reported regionally.

Sec 149(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The number of lane miles of gravel road surfaced with chip seal, hot mix or high float asphalt for the first time during FY01 is as follows:

| | by Highways & Aviation | by Construction | Total (lane miles) |
|------------------|---------------------------|-----------------|--------------------|
| Central Region | 32 | 40 | 72 |
| Northern Region | 8 | 236.4 | 244.4 |
| Southeast Region | 5 | 10 | 15 |
| TOTAL | 45 | 286.4 | 331.4 |

Benchmark Comparisons:

Released December 15th
12/31/2001 8:36

FY2003 Governor
Department of Transportation/Public Facilities

We are unaware of any specific benchmark at this time. The number of miles of roads that are surfaced is dependent upon amount of funds budgeted through the Statewide Transportation Improvement Program (STIP).

Background and Strategies:

The Road Paving Program established in FY99 implements the Administration's goal of reducing maintenance costs and improving the quality of life for Alaskans by hard surfacing state owned/maintained Non National Highway System (NHS) gravel roads, as well as those NHS roads also identified under the STIP. The scope of this work represents limited shoulder work, drainage and other work related to preserving the road structure. This is an extremely important program and will provide great benefit to many Alaskans. The Department of Transportation and Public Facilities also benefits directly from this program through reduced maintenance costs. Roads are selected for this program based on cost, condition of the roads, and traffic levels.

Measure:

The percentage of highway and airport lane miles per full-time-equivalent employee compared to the average of member states of the Western Association of State Highway and Transportation Officials.

Sec 149(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Northern Region Maintenance and Operations, Highways and Aviation maintains highway and airport lane miles with 42.2 lane miles per full time equivalent position. Southeast Region averages 35.3 highway and airport lane miles per full time equivalent. And, Central Region M&O maintains highway and airport lane miles with an average of 37.0 lane-miles per FTE position.

Benchmark Comparisons:

Fifteen states average 29.3 lane miles per full time equivalent position (Data Source: OKDOT Survey, 1999 & 2001 results from 15 WASHTO States) as follows:

| | | |
|--------------|-------|----------------------|
| Arizona | 29.89 | |
| California | 10.33 | (1999) |
| Colorado | 15.98 | (1999) |
| Hawaii | 8.86 | (1999) |
| Idaho | 29.50 | |
| Montana | 35.25 | |
| Nevada | 33.30 | |
| New Mexico | 30.39 | |
| North Dakota | 46.55 | (1999) |
| Oklahoma | 39.30 | |
| Oregon | 16.77 | |
| South Dakota | 42.86 | |
| Texas | 40.61 | |
| Utah | 41.59 | |
| Washington | 18.49 | (1999) Average 29.31 |

Background and Strategies:

At the current levels of lane miles per full-time equivalent, the Department is not able to provide an adequate level of service. There is a long list of "deferred maintenance" work – jobs that have not been completed due to lack of personnel and other resources. Staff are required to concentrate on critical needs, such as snow removal, rock slides, flooding, and erosion of roadbeds, and are able to devote less attention to preventive maintenance, such as crack sealing, ditching, and brush cutting. Work on priority maintenance items is scheduled when time and resources permit, and federal funds are used to improve the transportation infrastructure to minimize future maintenance needs.

The Department plans to implement an Alaskan maintenance management system that will establish specific maintenance criteria (roadway surface, drainage, snow & ice control, traffic services, etc.) with defined service levels and associated cost to identify to the public and legislature meaningful performance measures. Use of the maintenance management system will identify specific maintenance areas (e.g., guardrail repair, brush cutting, etc.) lacking in necessary resources. To reduce the average lane miles per employee, lane miles could be eliminated from state highway and aviation systems by transferring to communities, develop new funding sources, or encourage

FHWA to make eligible more maintenance items under the federal aid highway program.

Measure:

The number of miles of road maintenance for which responsibility is transferred to local governments.

Sec 149(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

In FY01 35.2 miles of road maintenance was transferred to local governments. Transferred road responsibilities include Fairbanks Trainor Gate Road, Nome City Streets, Kotzebue 3rd Avenue, Haines Porcupine Road, Juneau Point Louise Spur and 2 miles of the Glacier Highway, and in the Matanuska Susitna Borough West Matanuska Spur, Jensen Road, Church Street, 4-Mile Road, Willow Creek Parkway, Collier Road, Schelin Spur, Edgerton Park Road, Cottle Loop, Lakeview Circle, Rue Road, Crystal Lake Road, Deshka Landing Road and Willow Station Road.

Benchmark Comparisons:

No benchmark has yet been established.

Background and Strategies:

The transfer of road maintenance responsibility to local governments is negotiated between Planning, M&O and the local community. In exchange for a capital project benefiting the community, the community agrees to accept responsibility for maintaining an equivalent section of road. This is a win-win situation for the State and the community, allowing the use of federal funds to construct a project that benefits the community while reducing M&O general fund costs and responsibilities. The department is working with communities to identify roads that can be transferred to municipality control.

Measure:

Whether the department maintains the pavement condition index (PCI) at 70 for runways and 60 for taxiways and aprons at every applicable rural airport 99 percent of the time.

Sec 150(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Out of those runways, aprons and taxiways inspected, 48% in Central Region, 51% in Northern Region and 96% in Southeast Region have exceeded the pavement condition index identified in this measure. The actual PCI by airport is extremely variable depending upon where the airport is and when it was last upgraded. For example, the Skagway airport has recently been reconstructed and, as the paved areas are all new, PCI scores would be at or near 100. On the other hand, Yakutat has a PCI of 50 and will not be surveyed until a major reconstruction project is completed. That project will begin in 2002. All State and Municipal airports in the Northern Region have current surveys. Rehabilitation paving has taken place on the airports in Nome and Gambell since the last survey. This percentage does not reflect that work.

Benchmark Comparisons:

PCI 70 for runways; PCI 60 for taxiways and aprons.

Background and Strategies:

The PCI is a quantitative indicator of overall pavement condition that, as part of a pavement management system, helps us to determine maintenance and rehabilitation needs at airports. It also helps us to determine priorities when scheduling major pavement projects. However, a PCI score is only part of the story. The Department's goal is to maintain airports' required operational capability through effective staffing, equipment, maintenance, and management practices that ensure our airports are safe and open for business whether they have new pavement or are due for rehabilitation.

Measure:

The percentage of private maintenance contracts at non-certified airports compared to total number of non-certified airports

Sec 150(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

70% of the Department's non-certificated airports are maintained under contract. The Department has 191 non-certificated airports. Of those, the maintenance and operations of 134 of them are contracted to private firms or individuals and the remainder are maintained by the Department.

Benchmark Comparisons:

No benchmark has yet been established.

Background and Strategies:

The current strategy is to adequately maintain all airports as cost effectively as possible. Most of the non-certified airports that are not maintained with private contractors are located next to highways. Consequently, the highway crews maintain these airports. They have all the necessary equipment and local knowledge of the airport's needs. Economy is gained by maintaining the highways and airports with existing employees and equipment. Costs to maintain airports are generally considerably higher at those not serviced by a road system. Maintenance costs will continue to be kept down through competitively bid contracts where it is cost effective to do so.

Measure:

Whether the department maintains the 100 percent pass level of annual federal airport certification inspections for response and safety standards set out in federal aviation regulations.

Sec 150(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

100% of airports passed certification inspection. Compliance is mandatory and issues are corrected when noted.

Benchmark Comparisons:

There is no established standard or quantitative measure for FAA certification inspections. We attempt to provide the safest, most efficient service to airlines and the traveling public and ensure compliance with all appropriate regulations.

Background and Strategies:

The FAA, to ensure safe and standard airfield operations and compliance with its FAR 139 certification requirements, inspects the certificated airports at least annually. These inspections cover a broad range of areas including Airport Rescue and Firefighting (ARFF), safety, lighting, markings, runway incursions (interference with aircraft during takeoff and landing) and a number of other operating standards.

The Department's goal is to improve compliance with the FAA's FAR 139 program. This can be achieved by the proper identification of deficiencies by maintenance, operations, and safety personnel. Inspections note deficiencies for a broad range of inspection criteria and differ each year depending on FAA focus. Compliance with FAR Part 139 is achieved through adequate training and supervision of airport personnel, and implementation of effective management practices by the Regional Maintenance and Operations staff. The Regional Airport Safety and Compliance Officer is always available to help airport managers with compliance issues and ensures, through regular communication and visits, that any problems are resolved quickly.

Highways and Aviation

BRU Financial Summary by Component

All dollars in thousands

| | General Funds | FY2001 Actuals Federal Funds | Other Funds | Total Funds | General Funds | FY2002 Authorized Federal Funds | Other Funds | Total Funds | General Funds | FY2003 Governor Federal Funds | Other Funds | Total Funds |
|----------------------------|------------------|------------------------------------|----------------|----------------|------------------|---------------------------------------|----------------|-----------------|------------------|-------------------------------------|----------------|-----------------|
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| Central | 0.0 | 0.0 | 0.0 | 0.0 | 27,485.4 | 1,173.1 | 1,705.6 | 30,364.1 | 29,517.5 | 1,181.4 | 5,723.4 | 36,422.3 |
| Highways and Aviation | | | | | | | | | | | | |
| Northern | 0.0 | 0.0 | 0.0 | 0.0 | 36,802.6 | 461.5 | 561.1 | 37,825.2 | 39,850.9 | 474.2 | 2,078.5 | 42,403.6 |
| Highways & Aviation | | | | | | | | | | | | |
| Southeast | 0.0 | 0.0 | 0.0 | 0.0 | 8,845.4 | 0.0 | 702.0 | 9,547.4 | 9,348.4 | 0.0 | 1,217.4 | 10,565.8 |
| Highways & Aviation | | | | | | | | | | | | |
| Totals | 0.0 | 0.0 | 0.0 | 0.0 | 73,133.4 | 1,634.6 | 2,968.7 | 77,736.7 | 78,716.8 | 1,655.6 | 9,019.3 | 89,391.7 |

Highways and Aviation

Proposed Changes in Levels of Service for FY2003

Construction and implementation of the Road Weather Information System outside the Anchorage Bowl, use of Remote Controlled Equipment during avalanche cleanup in Thompson Pass, and Snow Plow guidance systems will increase level of service for snow and ice control.

Highways and Aviation

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 73,133.4 | 1,634.6 | 2,968.7 | 77,736.7 |
| Adjustments which will continue current level of service: | | | | |
| -Central Highways and Aviation | 1,158.0 | 8.3 | -332.2 | 834.1 |
| -Northern Highways & Aviation | 654.4 | 12.7 | 17.4 | 684.5 |
| -Southeast Highways & Aviation | 154.1 | 0.0 | 15.4 | 169.5 |
| Proposed budget increases: | | | | |
| -Central Highways and Aviation | 874.1 | 0.0 | 4,350.0 | 5,224.1 |
| -Northern Highways & Aviation | 2,393.9 | 0.0 | 1,500.0 | 3,893.9 |
| -Southeast Highways & Aviation | 348.9 | 0.0 | 500.0 | 848.9 |
| FY2003 Governor | 78,716.8 | 1,655.6 | 9,019.3 | 89,391.7 |

Component: Central Region Highways and Aviation

Contact: K. Chris Kepler, P.E., Chief, Central Region Maintenance

Tel: (907) 269-0767 **Fax:** (907) 248-1573 **E-mail:** Chris_Kepler@dot.state.ak.us

Component Mission

The mission of the Central Region Highways and Aviation component is to maintain, protect, and control the state's highway, airport, and harbor systems.

Component Services Provided

Highways and Aviation maintains and operates 3,729 lane-miles of paved highway and 940 lane-miles of gravel roads, 103 airports, and 226 bridges.

- Provide snow plowing, sanding, de-icing, avalanche control, and culvert thawing necessary to keep designated State roads and airports open to safe winter travel.
- Provide grading, pothole patching, crack-sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Operate and maintain road and airport lighting systems such as traffic lights, intersection and road illumination, and runway and taxiway lights.
- Maintain federally mandated security at State airports, including gates and fencing, security agreements and crash fire and rescue service. This has just been increased due to the terrorist's threats.
- Control encroachments onto State rights-of-way and issue driveway permits.
- Maintain harbor facilities not maintained by local community, including breakwaters, floats, and electrical systems.
- Provide statewide winter road and weather reporting on the Internet, the statewide recorded message system, and provide faxes to state troopers, trucking firms, and others.
- Continue operating the Adopt-a-Highway system.
- Provide an active avalanche prevention program.

Component Goals and Strategies

To maintain and operate Central Region State highway, airport, and harbor facilities in a manner that allow safe and efficient transportation of passengers and freight.

- Evaluate safety and efficiency of operations through training, communication with the public and new technology research.
- Monitor and report highway and airport conditions to all users.
- Turn State gravel roads "black" as well as pavement rehabilitation, crack sealing, and overlay projects.
- Provide snow and ice control.
- Continue to repair and replace guardrail throughout the Region.
- Begin to use new technology such as Road and Weather Information Systems to help maintain the highways.
- Implement higher security levels with airport security officers at King Salmon, Kodiak, Bethel, Unalaska, Dillingham, and Cold Bay.

To safeguard the State's investment in highways, airports, and harbors.

- Provide adequate maintenance by the most productive and cost effective means available.
- Allocate public funds responsibly through the use of private contracts and in-house resources.

Key Component Issues for FY2002 – 2003

- Airport security is now a major issue following the events of September 11. Requirements for security are changing to comply with FAA-mandated Emergency Amendments to airport security programs. Additional personnel are needed to perform mandated functions such as security management, inspection, law enforcement, access control, parking area and perimeter patrols, and administrative functions. Along with additional personnel, considerable costs

will be incurred to provide remote parking areas, security fences, lighting equipment, access controls and additional security vehicles. The Aviation Security Act will help define Federal requirements for added security and specify whether federal funds will be available.

- The Whittier Tunnel opened June 7, 2000 with tunnel operations running well. The most difficult task has been to establish schedules that met everyone's needs. The first two years of operation and maintenance of the tunnel are included under the design-build-operate contract to assure that actual operations are in line with design. Although the contractor will be maintaining the tunnel until June 7, 2002, there are additional maintenance costs associated with the highway leading up to the tunnel, parking lots and staging areas. Equipment rental contracts have been put in place for snow removal and two new positions have been filled.
- A key issue continues to be protecting Alaska's investment in its transportation infrastructure. The State's investments in roads, harbors and airports are eroding each year due to insufficient maintenance. As the transportation infrastructure continues to age, M&O is faced with ever-increasing list of deferred maintenance work. Other demands include increases in the cost of labor, materials, electricity and fuel, the addition of new fees that must be paid to other State and Federal agencies; and finally, the increasing burden of new laws and regulations especially at our airports. The M&O budget has not kept up with these increased demands and is inadequate to sustain basic preventative maintenance of our roads and airports.
- Increased costs have been offset to some degree through increased productivity and other efficiencies that are offset to a large extent by increased use of federal capital funds. General Funds for capital improvements has dwindled in recent years to insignificant levels. Highways and Aviation has made maximum use of federal highway funding to achieve major improvements of road surfaces by paving gravel roads, overlaying paved roads and crack sealing all paved roads, and repairing bridges.
- Brush control is necessary for safety to prevent moose collisions and other accidents due to sight distance limitations as well as for aesthetics. If funding and work does not continue annually, any gain is suddenly lost and the three-year rotation cycle for brush cutting will need to start over. If brush cutting is continued, the brush will give way to grass, which is cheaper and easier to maintain. The use of herbicides, which would save considerable money, is not allowed in Alaska.

Major Component Accomplishments in 2001

- 11 of our 103 airports came under close scrutiny by the FAA as they require FAA Operating Certificates allowing use by large aircraft. Each is inspected annually by the FAA. All inspections were passed with minor discrepancies.
- Crack sealed approximately 160 miles of highway and repaired many bridges.
- Paved approximately 16 centerline miles of gravel roads.
- Coordinated with borough governments to "Pave and Transfer" small roads. Traded road maintenance responsibilities with local city and borough governments to more efficiently sand and plow snow, paint streets, and clean out storm drains.
- Asphalt overlayed approximately 50 miles of highway including National Highway System (NHS), non-NHS, and spring breakup projects.
- Federal CIP project funds were used to replace traffic signal heads with more electrically efficient LED heads. This conversion will save money in electric bills for the Anchorage, Mat-Su, and Kenai Peninsula Districts.

Statutory and Regulatory Authority

- AS 02 Aeronautics
- AS 30 Harbors and Shipping
- AS 38 Motor Vehicles
- AS 44 State Government
- AAC 13 Public Safety
- AAC 14 Public Works
- AAC 17 DOT&PF
- CFR 14 Aeronautics
- CFR 23 Highways

Central Region Highways and Aviation

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|-----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 12,554.1 | 12,349.5 | 13,309.2 |
| 72000 Travel | 164.8 | 95.6 | 95.6 |
| 73000 Contractual | 11,844.5 | 13,781.2 | 17,742.7 |
| 74000 Supplies | 5,182.8 | 4,137.8 | 5,274.8 |
| 75000 Equipment | 641.9 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 30,388.1 | 30,364.1 | 36,422.3 |
| Funding Sources: | | | |
| 1002 Federal Receipts | 310.3 | 1,173.1 | 1,181.4 |
| 1004 General Fund Receipts | 26,142.6 | 26,879.7 | 28,806.2 |
| 1005 General Fund/Program Receipts | 568.1 | 605.7 | 711.3 |
| 1007 Inter-Agency Receipts | 940.6 | 80.3 | 83.6 |
| 1026 Highway Working Capital Fund | 528.6 | 0.0 | 0.0 |
| 1027 International Airport Revenue Fund | 28.4 | 462.4 | 469.9 |
| 1052 Oil/Hazardous Response Fund | 700.0 | 700.0 | 350.0 |
| 1053 Investment Loss Trust Fund | 40.4 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 1,047.9 | 19.9 | 3,019.9 |
| 1108 Statutory Designated Program Receipts | 16.2 | 93.0 | 97.0 |
| 1147 Public Building Fund | 65.0 | 0.0 | 0.0 |
| 1156 Receipt Supported Services | 0.0 | 350.0 | 1,703.0 |
| Funding Totals | 30,388.1 | 30,364.1 | 36,422.3 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 8.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 8.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Federal Receipts | 51010 | 310.3 | 1,173.1 | 423.1 | 1,181.4 | 431.4 |
| Interagency Receipts | 51015 | 940.6 | 80.3 | 80.3 | 83.6 | 83.6 |
| General Fund Program Receipts | 51060 | 568.1 | 605.7 | 605.7 | 711.3 | 711.3 |
| Statutory Designated Program Receipts | 51063 | 16.2 | 93.0 | 93.0 | 97.0 | 97.0 |
| Receipt Supported Services | 51073 | 0.0 | 350.0 | 350.0 | 1,703.0 | 1,703.0 |
| Capital Improvement Project Receipts | 51200 | 1,047.9 | 19.9 | 19.9 | 3,019.9 | 3,019.9 |

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-----------------------------|------------------------------|-------------------|----------------------|----------------------------|--------------------|--------------------|
| Restricted Total | | 2,883.1 | 2,322.0 | 1,572.0 | 6,796.2 | 6,046.2 |
| Total Estimated Revenues | | 2,891.1 | 2,322.0 | 1,572.0 | 6,796.2 | 6,046.2 |

Central Region Highways and Aviation

Proposed Changes in Levels of Service for FY2003

- Central Region will be taking over maintenance and operations of the Whittier Tunnel on June 7, 2002.
- It is anticipated that the Department will need to hire airport security officers at rural airports to counteract potential terrorist attacks.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 27,485.4 | 1,173.1 | 1,705.6 | 30,364.1 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 433.6 | 8.3 | 17.8 | 459.7 |
| -Fund source change from Oil/Haz funds to GF for the NPDES Program | 350.0 | 0.0 | -350.0 | 0.0 |
| -Transfer North Kenai Maintenance Station into CR Highways and Aviation component | 385.4 | 0.0 | 0.0 | 385.4 |
| -Transfer GFPR to Central Region Leasing for personal services | -10.0 | 0.0 | 0.0 | -10.0 |
| -Transfer funds for Seldovia Building Lease #2275 to DOA Leasing Section | -1.0 | 0.0 | 0.0 | -1.0 |
| -Exchange fund sources for rural airports leasing and maintenance programs | 14.4 | 0.0 | 0.0 | 14.4 |
| -Exchange fund sources for rural airports leasing and maintenance programs | -14.4 | 0.0 | 0.0 | -14.4 |
| Proposed budget increases: | | | | |
| -Add GF/PR authority for Central Region Highway Damages Program | 130.0 | 0.0 | 0.0 | 130.0 |
| -Add GF for fuel cost increases | 407.0 | 0.0 | 0.0 | 407.0 |
| -Add GF for utility costs at Homer Airport's new sand storage building | 18.6 | 0.0 | 0.0 | 18.6 |
| -Add GF for SEF rate increases | 188.5 | 0.0 | 0.0 | 188.5 |
| -Add GF for increased cost of rural airport maintenance contracts | 130.0 | 0.0 | 0.0 | 130.0 |
| -Add Receipt Supported Services authority and CIP authority for Whittier Tunnel operations | 0.0 | 0.0 | 3,350.0 | 3,350.0 |
| -Add CIP Receipt Authority for M&O staff to charge to capital maintenance projects | 0.0 | 0.0 | 1,000.0 | 1,000.0 |

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|------------------------|----------------------|----------------------|--------------------|--------------------|
| FY2003 Governor | 29,517.5 | 1,181.4 | 5,723.4 | 36,422.3 |

Central Region Highways and Aviation

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|----------------------------------|-------------------|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 160 | 174 | Annual Salaries | 9,224,475 |
| Part-time | 45 | 29 | COLA | 351,911 |
| Nonpermanent | 0 | 0 | Premium Pay | 897,455 |
| | | | Annual Benefits | 3,609,983 |
| | | | <i>Less 5.50% Vacancy Factor</i> | <i>(774,624)</i> |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 205 | 203 | Total Personal Services | 13,309,200 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|----------|------------|------------|
| Administrative Assistant | 3 | 0 | 0 | 2 | 5 |
| Administrative Clerk III | 2 | 0 | 0 | 10 | 12 |
| Administrative Manager II | 1 | 0 | 0 | 0 | 1 |
| Engineer/Architect IV | 1 | 0 | 0 | 0 | 1 |
| Engineering Assistant III | 1 | 0 | 0 | 0 | 1 |
| Equip Operator Foreman I | 3 | 0 | 0 | 5 | 8 |
| Equip Operator Foreman II | 1 | 0 | 0 | 6 | 7 |
| Equip Operator Journey I | 17 | 0 | 0 | 0 | 17 |
| Equip Operator Journey II | 24 | 0 | 0 | 59 | 83 |
| Equip Operator Jrny III/Lead | 3 | 0 | 0 | 46 | 49 |
| Facilities Manager I | 1 | 0 | 0 | 0 | 1 |
| Maint Spec Etrician Journey II | 2 | 0 | 0 | 4 | 6 |
| Maint Spec Tces Jrny II | 1 | 0 | 0 | 0 | 1 |
| Regnl Saf&Arpt Sec Off | 1 | 0 | 0 | 0 | 1 |
| Safety & Emerg Supp Spec | 1 | 0 | 0 | 0 | 1 |
| Secretary | 1 | 0 | 0 | 0 | 1 |
| Trans Maint Manager II | 2 | 0 | 0 | 0 | 2 |
| Trans Maint Supt I | 1 | 0 | 0 | 1 | 2 |
| Trans Maint Supt II | 2 | 0 | 0 | 2 | 4 |
| Totals | 68 | 0 | 0 | 135 | 203 |

Component: Northern Region Highways and Aviation

Contact: James H. Little, Northern Region M&O Director

Tel: (907) 451-2294 **Fax:** (907) 451-5311 **E-mail:** james_little@dot.state.ak.us

Component Mission

Maintain, protect, and control the state's highway and airport systems.

Component Services Provided

- Winter snow and ice control: snow plowing, snow removal, sanding, de-icing, avalanche control, snow fencing, and culvert thawing.
- Summer maintenance including: grading, pothole patching, crack sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Road and airport lighting systems: maintenance of traffic signals, intersection and road illumination, and runway and taxiway lights.
- Roadside litter control and trash removal at rest areas, turnouts and campgrounds.
- Encroachment control on driveways, access roads, signs, utilities, and other State rights-of-way.
- Maintain federally mandated security at State airports, including gates and fencing, security agreements and crash fire and rescue service. This has just been increased due to the terrorist's threats.

Component Goals and Strategies

To maintain and operate Northern Region State highway, airport, and harbor facilities in a manner that allows safe and efficient transportation of passengers and freight.

- Evaluate safety and efficiency of operations through training, communication with the public, and new technology research.
- Monitor and report highway and airport conditions to all users.
- Turn State gravel roads "black" as well as pavement rehabilitation, crack sealing, and overlay projects.
- Provide snow and ice control.
- Continue to repair and replace guardrail throughout the Region.
- Begin to use new technology such as Road and Weather Information Systems to help maintain the highways.

To safeguard the State's investment in highways, airports, and harbors.

- Provide adequate maintenance by the most productive and cost effective means available.
- Allocate public funds responsibly through the use of private contracts and in-house resources.

Key Component Issues for FY2002 – 2003

- The key issue continues to be protecting Alaska's investment in its transportation infrastructure. The State's investments in roads, harbors and airports are eroding each year due to insufficient maintenance. As the transportation infrastructure continues to age, M&O is faced with an ever-increasing list of deferred maintenance work. Other demands include increases in the cost of labor, materials, electricity and fuel and the addition of new fees that must be paid to other state and federal agencies; and finally, the increasing burden of new laws and regulations. The M&O budget has not kept up with these increased demands and is inadequate to sustain basic preventative maintenance of our roads and airports. Our list of deferred maintenance items is currently at \$102.2 million for Northern Region Highways and Aviation and it continues to grow.
- Increased costs have been offset to some degree through increased productivity and other efficiencies. They are offset to a large extent by increased use of federal capital funds. General funds for capital improvements have dwindled in recent years to insignificant levels. Highways and Aviation has made maximum use of federal highway & aviation funding to achieve major improvement of road surfaces, which decreases maintenance costs for the short term. Operating costs, however, have continued to outweigh the sum of our cost reducing efforts, the infusion of

capital funds, and our operating revenues. These budget shortfalls have resulted in decreased striping, snow removal and road maintenance activities in outlying areas.

- Airport security is now a major issue following the events of September 11. Requirements for security are changing to comply with FAA-mandated Emergency Amendments to airport security programs. Additional personnel are needed to perform mandated functions such as security management, inspection, law enforcement, access control, parking area and perimeter patrols, and administrative functions. Along with additional personnel, considerable costs will be incurred to provide remote parking areas, security fences, lighting equipment, access controls and additional security vehicles. The Aviation Security Act will help define Federal requirements for added security and specify whether federal funds will be available.

Major Component Accomplishments in 2001

- Applied chip seal, hot mix, or high float asphalt to 174 lane miles of road.
- Covered 154 lane miles with crack seal.
- Paved approximately 8 lane miles of gravel roads.
- Repaired 22 bridges.
- Cut approximately 723 centerline miles of brush and trees along our right-of-ways.
- Coordinated parts delivery with State Equipment Fleet at remote camps by using Maintenance and Operations employees to perform this service.
- The Adopt-a-Highway system continues to grow with new volunteer groups enthusiastically participating in clean up of selected segments of highways. A safety video has been developed. A Policies and Procedures Manual for Adopt-a-Highway programs is currently being developed.

Statutory and Regulatory Authority

AS 02 – Aeronautics
AS 30 – Harbors and Shipping
AS 38 – Motor Vehicles
AS 44 – State Government
AAC 13 – Public Safety
AAC 14 – Public Works
AAC 17 – DOT&PF
CFR 14 – Aeronautics
CRF 23 - Highways

Northern Region Highways and Aviation

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|-----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 20,192.8 | 17,813.3 | 19,537.8 |
| 72000 Travel | 537.9 | 604.6 | 604.6 |
| 73000 Contractual | 14,623.8 | 14,970.9 | 16,692.4 |
| 74000 Supplies | 5,936.8 | 4,436.4 | 5,568.8 |
| 75000 Equipment | 164.5 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 41,455.8 | 37,825.2 | 42,403.6 |
| Funding Sources: | | | |
| 1002 Federal Receipts | 384.9 | 461.5 | 474.2 |
| 1004 General Fund Receipts | 35,532.1 | 36,015.5 | 39,077.8 |
| 1005 General Fund/Program Receipts | 640.4 | 787.1 | 773.1 |
| 1007 Inter-Agency Receipts | 685.3 | 332.6 | 342.3 |
| 1026 Highway Working Capital Fund | 15.8 | 15.8 | 15.8 |
| 1053 Investment Loss Trust Fund | 72.9 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 3,539.3 | 10.6 | 1,510.6 |
| 1108 Statutory Designated Program Receipts | 117.2 | 202.1 | 209.8 |
| 1147 Public Building Fund | 467.9 | 0.0 | 0.0 |
| Funding Totals | 41,455.8 | 37,825.2 | 42,403.6 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 11.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 11.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Federal Receipts | 51010 | 384.9 | 461.5 | 461.5 | 474.2 | 474.2 |
| Interagency Receipts | 51015 | 685.3 | 332.6 | 332.6 | 342.3 | 342.3 |
| General Fund Program Receipts | 51060 | 640.4 | 787.1 | 787.1 | 773.1 | 805.7 |
| Statutory Designated Program Receipts | 51063 | 117.2 | 202.1 | 202.1 | 209.8 | 209.8 |
| Capital Improvement Project Receipts | 51200 | 3,539.3 | 10.6 | 10.6 | 1,510.6 | 1,510.6 |
| Restricted Total | | 5,367.1 | 1,793.9 | 1,793.9 | 3,310.0 | 3,342.6 |
| Total Estimated Revenues | | 5,378.8 | 1,793.9 | 1,793.9 | 3,310.0 | 3,342.6 |

Northern Region Highways and Aviation

Proposed Changes in Levels of Service for FY2003

Current possible Service changes are:

- 1) Bring Western District's Equipment Fleet under the Wet Rental program, providing for regular routine maintenance.
- 2) Discontinue Sidewalk Snow Removal program if federal funding for this program is reduced or eliminated.
- 3) Discontinue Airport Surface Maintenance program if federal funding for this program is reduced or eliminated.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 36,802.6 | 461.5 | 561.1 | 37,825.2 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 654.4 | 12.7 | 17.4 | 684.5 |
| -Exchange fund sources for rural airports leasing and maintenance programs | 14.0 | 0.0 | 0.0 | 14.0 |
| -Exchange fund sources for rural airports leasing and maintenance programs | -14.0 | 0.0 | 0.0 | -14.0 |
| Proposed budget increases: | | | | |
| -Add GF for fuel cost increases | 632.4 | 0.0 | 0.0 | 632.4 |
| -Add GF for SEF rate increases | 1,636.5 | 0.0 | 0.0 | 1,636.5 |
| -Add GF for increased cost of rural airport maintenance contracts | 125.0 | 0.0 | 0.0 | 125.0 |
| -Add CIP Receipt Authority for M&O staff to charge to capital maintenance projects | 0.0 | 0.0 | 1,500.0 | 1,500.0 |
| FY2003 Governor | 39,850.9 | 474.2 | 2,078.5 | 42,403.6 |

Northern Region Highways and Aviation

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|--------------------------------|-------------------|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 220 | 233 | Annual Salaries | 14,110,831 |
| Part-time | 91 | 80 | COLA | 510,219 |
| Nonpermanent | 0 | 0 | Premium Pay | 534,776 |
| | | | Annual Benefits | 5,217,310 |
| | | | Less 4.10% Vacancy Factor | (835,299) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 311 | 313 | Total Personal Services | 19,537,837 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|----------|------------|------------|
| Accounting Tech II | 0 | 1 | 0 | 0 | 1 |
| Administrative Assistant | 0 | 5 | 0 | 2 | 7 |
| Administrative Clerk II | 0 | 0 | 0 | 1 | 1 |
| Administrative Clerk III | 0 | 2 | 0 | 5 | 7 |
| Administrative Manager II | 0 | 1 | 0 | 0 | 1 |
| Division Director | 0 | 1 | 0 | 0 | 1 |
| Engineer/Architect III | 0 | 1 | 0 | 0 | 1 |
| Engineering Associate | 0 | 1 | 0 | 0 | 1 |
| Environmental Analyst III | 0 | 1 | 0 | 0 | 1 |
| Equip Operator Foreman I | 0 | 4 | 0 | 13 | 17 |
| Equip Operator Foreman II | 0 | 1 | 0 | 4 | 5 |
| Equip Operator Journey I | 0 | 24 | 0 | 20 | 44 |
| Equip Operator Journey II | 0 | 18 | 0 | 118 | 136 |
| Equip Operator Jrny III/Lead | 0 | 2 | 0 | 47 | 49 |
| Equip Operator Sub Journey I | 0 | 0 | 0 | 2 | 2 |
| Equip Operator Sub Journey II | 0 | 5 | 0 | 12 | 17 |
| Maint Gen Sub - Journey II | 0 | 1 | 0 | 0 | 1 |
| Maint Spec Etrician Journey II | 0 | 1 | 0 | 1 | 2 |
| Maint Spec Tces Jrny II | 0 | 3 | 0 | 0 | 3 |
| Mech Auto Lead/Spec | 0 | 0 | 0 | 2 | 2 |
| Safety Officer | 0 | 1 | 0 | 0 | 1 |
| Secretary | 0 | 1 | 0 | 0 | 1 |
| Stock & Parts Svcs Journey I | 0 | 0 | 0 | 1 | 1 |
| Trans Maint Manager III | 0 | 1 | 0 | 1 | 2 |
| Trans Maint Supt I | 0 | 0 | 0 | 1 | 1 |
| Trans Maint Supt II | 0 | 4 | 0 | 4 | 8 |
| Totals | 0 | 79 | 0 | 234 | 313 |

Component: Southeast Region Highways and Aviation

Contact: Greg Patz, Transportation Chief

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Component Mission

Maintain, protect and control the state's highway, harbor and airport systems.

Component Services Provided

- Winter snow and ice control including: snow plowing, snow removal, sanding, de-icing, avalanche control, snow fencing and culvert thawing.
- Summer maintenance including: grading, pothole patching, crack sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Road and airport lighting systems including: maintenance of traffic signals, intersection and road illumination, harbor electrical service and lighting, and runway and taxiway lights.
- Roadside litter control and trash removal at rest areas, turnouts and campgrounds.
- Control access to State rights of way for driveways, access roads, signs and utilities.

Component Goals and Strategies

To maintain and operate Southeast Region State highway, harbor and airport facilities in a manner that allows the safe and efficient transportation of passengers and freight.

- Evaluate safety and efficiency of operations through training, communication with the public and new technology research.

To safeguard the State's investments in highways and airports.

- Provide adequate maintenance by the most productive and cost effective means available.
- Allocate public funds responsibly through the use of private contracts and in-house resources.

Provide necessary maintenance and operations services by the most productive and cost-effective means available.

- Develop a maintenance management system to help gauge our performance and better manage our resources.

Key Component Issues for FY2002 – 2003

- The key issue continues to be protecting Alaska's investment in its transportation infrastructure. The State's investments in roads, harbors and airports are eroding each year due to insufficient maintenance. As the transportation infrastructure continues to age, M&O is faced with an ever-increasing list of deferred maintenance work. Other demands include increases in the cost of labor, materials, electricity and fuel; cost of maintaining new infrastructure such as airport taxiways and lighting systems and highway traffic signals; and finally, the increasing burden of new laws and regulations. The M&O budget has not kept up with these increased demands and is inadequate to sustain basic preventative maintenance of our roads and airports. Our list of deferred maintenance items currently exceeds \$25 million.
- Increased costs have been offset to some degree through increased productivity and other efficiencies. They are offset to a large extent by increased use of federal capital funds. General Funds for capital improvements have dwindled in recent years to insignificant levels. Highways and Aviation has made maximum use of federal highway funding to achieve major improvement of road surfaces (chip sealing), which decreases maintenance costs for the short term. Operating costs, however, have continued to outweigh the sum of our cost-reducing efforts, the infusion of capital funds, and our operating revenues. These budget shortfalls have resulted in decreased striping, snow removal and road maintenance activities in outlying areas.

- Airport security is now a major issue following the events of September 11. Requirements for security are changing to comply with FAA-mandated Emergency Amendments to airport security programs. Additional personnel are needed to perform mandated functions such as security management, inspection, law enforcement, access control, parking area and perimeter patrols, and administrative functions. Along with additional personnel, considerable costs will be incurred to provide remote parking areas, security fences, lighting equipment, access controls and additional security vehicles. The Aviation Security Act will help define Federal requirements for added security and specify whether federal funds will be available.

Major Component Accomplishments in 2001

- Haines: Reconstructed and chip sealed Chilkat Lake Road, 4.0 miles and Porcupine Road, 1.0 mile as part of agreement to transfer Porcupine Road to the Borough of Haines. Completed emergency repairs on Klukwan Road.
- Juneau: Chip sealed Glacier Highway, Eagle Beach to end of pavement, 4.4 miles; chip sealed North Douglas Highway, Eaglecrest to end of road, 3 miles.
- Kake: Repaired major pavement subsidence problem on Keku-Kake Road.
- Ketchikan: Chip sealed 1.8 miles of roads, including D-1 Loop, D-2 Loop, Roosevelt Spur, and Higgins Spur.
- Klawock: Installed security fence at airport..
- Petersburg: Chip sealed .5 miles of road, including Scow Bay Loop Road, Falls Creek Road, Papke's Landing Road, and Crystal Lake Hatchery Road.
- Port Protection: Provided materials to the Community Association of Port Protection to perform major repairs to the city dock.
- Sitka: Performed emergency pavement repair on Sawmill Creek Road, 2.5 miles.
- Skagway: Reconstructed and chip sealed 2.0 miles of Dyea Road; completed erosion control project on Taiya River.
- Wrangell: Removed and replaced outdated/PCB contaminated airport electrical regulator.
- Yakutat: Crack sealed runway and taxiway.
- Certified Airports (Gustavus, Petersburg, Sitka, Wrangell, and Yakutat): Completed installation of FAA mandated improved hold lines and reflective paint (glass beads).

Statutory and Regulatory Authority

A.S. 02 - Aeronautics
A.S. 30 - Harbors & Shipping
A.S. 38 - Motor Vehicles
A.S. 44 - State Government
AAC 13 - Public Safety
AAC 14 - Public Works
AAC 17 - DOT&PF
CFR 14 - Aeronautics
CFR 23 - Highway

Southeast Region Highways and Aviation

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 4,346.9 | 4,710.1 | 5,177.8 |
| 72000 Travel | 94.4 | 84.5 | 84.5 |
| 73000 Contractual | 2,816.7 | 2,990.6 | 3,297.6 |
| 74000 Supplies | 2,176.3 | 1,762.2 | 2,005.9 |
| 75000 Equipment | 448.7 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 9,883.0 | 9,547.4 | 10,565.8 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 8,310.6 | 8,468.0 | 8,971.0 |
| 1005 General Fund/Program Receipts | 304.9 | 377.4 | 377.4 |
| 1007 Inter-Agency Receipts | 163.7 | 86.0 | 88.6 |
| 1027 International Airport Revenue Fund | 0.0 | 527.5 | 538.7 |
| 1053 Investment Loss Trust Fund | 81.2 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 777.7 | 7.1 | 507.1 |
| 1108 Statutory Designated Program Receipts | 198.4 | 81.4 | 83.0 |
| 1147 Public Building Fund | 46.5 | 0.0 | 0.0 |
| Funding Totals | 9,883.0 | 9,547.4 | 10,565.8 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 7.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 7.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 153.7 | 86.0 | 86.0 | 88.6 | 88.6 |
| General Fund Program Receipts | 51060 | 304.9 | 377.4 | 377.4 | 377.4 | 377.4 |
| Statutory Designated Program Receipts | 51063 | 198.4 | 81.4 | 81.4 | 83.0 | 83.0 |
| Capital Improvement Project Receipts | 51200 | 777.7 | 7.1 | 7.1 | 507.1 | 507.1 |
| Restricted Total | | 1,434.7 | 551.9 | 551.9 | 1,056.1 | 1,056.1 |
| Total Estimated Revenues | | 1,442.2 | 551.9 | 551.9 | 1,056.1 | 1,056.1 |

Southeast Region Highways and Aviation
Proposed Changes in Levels of Service for FY2003

No service level changes are planned for the FY2003 budget.

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 8,845.4 | 0.0 | 702.0 | 9,547.4 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 154.1 | 0.0 | 15.4 | 169.5 |
| Proposed budget increases: | | | | |
| -Add GF for fuel cost increases | 41.9 | 0.0 | 0.0 | 41.9 |
| -Add GF for SEF rate increases | 307.0 | 0.0 | 0.0 | 307.0 |
| -Add CIP Receipt Authority for M&O staff to charge to capital maintenance projects | 0.0 | 0.0 | 500.0 | 500.0 |
| FY2003 Governor | 9,348.4 | 0.0 | 1,217.4 | 10,565.8 |

Southeast Region Highways and Aviation

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 61 | 65 | Annual Salaries | 3,257,939 |
| Part-time | 9 | 5 | COLA | 138,160 |
| Nonpermanent | 0 | 0 | Premium Pay | 650,125 |
| | | | Annual Benefits | 1,349,285 |
| | | | Less 4.04% Vacancy Factor | (217,709) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 70 | 70 | Total Personal Services | 5,177,800 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Administrative Assistant | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk III | 0 | 0 | 2 | 1 | 3 |
| Administrative Manager I | 0 | 0 | 1 | 0 | 1 |
| Engineering Associate | 0 | 0 | 1 | 0 | 1 |
| Equip Operator Foreman I | 0 | 0 | 1 | 0 | 1 |
| Equip Operator Foreman II | 0 | 0 | 2 | 4 | 6 |
| Equip Operator Journey I | 0 | 0 | 0 | 1 | 1 |
| Equip Operator Journey II | 0 | 0 | 10 | 16 | 26 |
| Equip Operator Jrny III/Lead | 0 | 0 | 0 | 24 | 24 |
| Leasing Officer II | 0 | 0 | 1 | 0 | 1 |
| Leasing Officer IV | 0 | 0 | 1 | 0 | 1 |
| Maint Spec Bfc Foreman | 0 | 0 | 1 | 0 | 1 |
| Maint Spec Etrician Journey II | 0 | 0 | 1 | 0 | 1 |
| Trans Maint Manager II | 0 | 0 | 1 | 0 | 1 |
| Trans Maint Manager III | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 24 | 46 | 70 |

BRU/Component: North Kenai Maintenance Station

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Contact: K. Chris Kepler, P.E., Chief, Central Region Maintenance

Tel: (907) 269-0767 **Fax:** (907) 248-1573 **E-mail:** Chris_Kepler@dot.state.ak.us

Component Mission

This component was established by the Legislature in FY02. In the FY03 budget, it is being transferred into the Central Region Highways and Aviation component, where all other Central Region maintenance stations are funded. Please see Central Region Highways and Aviation, component 564.

Component Services Provided

Please see Central Region Highways and Aviation, component 564.

Component Goals and Strategies

Please see Central Region Highways and Aviation, component 564.

Key Component Issues for FY2002 – 2003

Please see Central Region Highways and Aviation, component 564.

Major Component Accomplishments in 2001

Please see Central Region Highways and Aviation, component 564.

Statutory and Regulatory Authority

Please see Central Region Highways and Aviation, component 564.

North Kenai Maintenance Station

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 0.0 | 0.0 |
| 72000 Travel | 0.0 | 0.0 | 0.0 |
| 73000 Contractual | 0.0 | 385.4 | 0.0 |
| 74000 Supplies | 0.0 | 0.0 | 0.0 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 0.0 | 385.4 | 0.0 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 0.0 | 385.4 | 0.0 |
| Funding Totals | 0.0 | 385.4 | 0.0 |

North Kenai Maintenance Station**Proposed Changes in Levels of Service for FY2003**

Please see Central Region Highways and Aviation, component 564.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 385.4 | 0.0 | 0.0 | 385.4 |
| Adjustments which will continue current level of service: | | | | |
| -Transfer funds from North Kenai Maintenance Station to CR Highways and Aviation | -385.4 | 0.0 | 0.0 | -385.4 |
| FY2003 Governor | 0.0 | 0.0 | 0.0 | 0.0 |

BRU/Component: International Airport Systems Office

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Contact: Leo Blas, Controller

Tel: (907) 266-2404 **Fax:** (907) 266-2100 **E-mail:** Leo_Blas@dot.state.ak.us

Component Mission

The mission of the International Airport System Office is to provide relevant and reliable financial statements to the international airport system.

Component Services Provided

- Establish uniform accounting practices and financial reporting requirements.
- Arrange for annual audit by independent CPA.
- Provide uniform fee structures for use of the airports' facilities and services.
- Identify cost reductions that do not jeopardize the traveling public safety. \
- Identify new revenue sources and enhance existing ones.

Component Goals and Strategies

Monitor effectively and efficiently the financial affairs of the Alaska International Airport System (AIAS) composed of Anchorage International Airport and Fairbanks International Airport. Enhance revenue sources and identify cost savings opportunities.

Key Component Issues for FY2002 – 2003

- Establish uniform accounting practices and financial reporting requirements.
- Arrange for, coordinate and oversee the annual audit by an independent CPA.
- Provide uniform fee structures for use of the airports' facilities and services.
- Identify cost reductions that do not jeopardize the traveling public safety.
- Identify new revenue sources and enhance existing ones.

Major Component Accomplishments in 2001

- Successfully competed the five year Operating Agreement for ANC and FIA airports.
- Implemented new rate and fees model for rate calculations.

Statutory and Regulatory Authority

- FAR Part 108, 612
- AS 18 Health/Safety
- AS 37.15.430

International Airport Systems Office
Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|-----------------------|--------------------------|------------------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 146.0 | 220.5 | 226.7 |
| 72000 Travel | 28.1 | 19.2 | 19.2 |
| 73000 Contractual | 130.4 | 120.4 | 120.4 |
| 74000 Supplies | 1.0 | 4.1 | 4.1 |
| 75000 Equipment | 0.0 | 10.8 | 10.8 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 305.5 | 375.0 | 381.2 |
| Funding Sources: | | | |
| 1027 International Airport Revenue Fund | 305.5 | 375.0 | 381.2 |
| Funding Totals | 305.5 | 375.0 | 381.2 |

International Airport Systems Office

Proposed Changes in Levels of Service for FY2003

No service changes are anticipated for FY2003.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 375.0 | 375.0 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 6.2 | 6.2 |
| FY2003 Governor | 0.0 | 0.0 | 381.2 | 381.2 |

International Airport Systems Office

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 3 | 3 | Annual Salaries | 167,132 |
| Part-time | 0 | 0 | COLA | 4,612 |
| Nonpermanent | 0 | 0 | Premium Pay | 626 |
| | | | Annual Benefits | 58,843 |
| | | | Less 1.95% Vacancy Factor | (4,513) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 3 | 3 | Total Personal Services | 226,700 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|------------------------|-----------|-----------|----------|----------|----------|
| Accountant II | 1 | 0 | 0 | 0 | 1 |
| Accountant IV | 1 | 0 | 0 | 0 | 1 |
| Intl Airpts Controller | 1 | 0 | 0 | 0 | 1 |
| Totals | 3 | 0 | 0 | 0 | 3 |

Ted Stevens Anchorage International Airport Budget Request Unit

Contact: Morton V. Plumb Jr., Director

Tel: (907) 266-2529 **Fax:** (907) 243-0663 **E-mail:** Morton_Plumb@dot.state.ak.us

BRU Mission

The mission of the Ted Stevens Anchorage International Airport (AIA) is to safely, effectively, and efficiently operate and maintain the airport in a manner consistent with Federal regulatory requirements, high service standards, sensitivity to user needs, and awareness of community goals.

BRU Services Provided

- Snow and ice control on runways, taxiways, parking areas, and roadways.
- Repair and maintenance of all pavement areas, terminal buildings, parking garage, airport equipment, and other airport state-owned buildings
- Provision for fire fighting, emergency medical services, and law enforcement within the airport area.
- Traffic control on arrival and departure ramps.
- Physical and policy planning.
- Property management, financial management, and marketing to maximize revenues used to fund the costs of all TSAIA's services.

BRU Goals and Strategies

Anchorage International Airport is responsible for providing high quality airport facilities and services that meet the needs of the traveling public for domestic and international airlines on a 24 hour, 365 days per year basis in compliance with all applicable local, state, and federal regulations.

- Implement a solid development program for terminal expansion and airfield operational requirements.
- Manage an airport with rapidly changing revenue sources in a cost efficient manner while still providing a safe, attractive, and clean facilities for the airport users.
- Comply effectively and cost efficiently to rapidly changing and more stringent regulatory requirements, especially Federal Aviation Administration regulations, state and federal environmental regulations, and the American with Disabilities Act regulations.
- Pursue increased international passenger and cargo service through Anchorage International Airport and new revenue sources.
- Develop long term use plans for airport land and facilities that maximize use of existing facilities to meet present and future needs.
- Analyze specific transitional needs and respond by effecting organizational or staffing changes.
- Continue close communications with general aviation and commercial tenants around the airport float plane lake areas as AIA transitions to greater enforcement of lease provisions and changes to historical operating practices.

Key BRU Issues for FY2002 – 2003

Analyze the organizational structure and modify if necessary to improve efficiency and service.

The Operating Agreement that establishes and defines the financial relationship between the airport and air carriers expired June 30, 2000. New agreements were executed with major air carriers at both international airports effective July 1, 2001. The agreement sets the methodology for calculating terminal rental rates, landing, docking fees, and other charges.

The attacks experienced on September 11, 2001 have had an extraordinary impact on the operations of airports across the nation. Federal Aviation Administration guidelines are changing on a daily basis, security demands are substantial, the public's view on air travel is changing, and airlines are attempting to cut their losses. As a result, Alaskan airports, as are all airports, are struggling to react to the operational and financial impacts of the situation.

Major BRU Accomplishments in 2001

- Successfully negotiated with Alaska Department of Environmental Conservation (ADEC) for a large Airside Risk Assessment Zone for the Terminal Redevelopment Project. An Airport wide risk zone approach for contaminated site cleanup continues to be pursued with ADEC to conduct cost effective remediation. This effort has the potential for high savings of approximately \$3-5 million for the ramp area alone.
- 13.4 billion pounds (all cargo landed weight) transited or transferred through AIA with current cargo landings 11-12% higher than this time last year per month.
- Key findings from the updated AIA's Economic Significance Report include:
 - 8,200 jobs at the Airport
 - \$400 million in annual payroll (roughly one in ten jobs in Anchorage)
- International cargo operations have created 1,000 new jobs and produce the largest percentage of airport jobs.
- Major marketing efforts contributed to additional Northwest Airlines Tokyo-Anchorage non-stop seasonal service. KLM cargo flights doubled service to Europe. American West added direct service to Phoenix, Arizona.
- Sponsored the extremely successful second annual "Top of the World" Air Cargo Conference" with the help of Alaska Economic Development Corporation to support and facilitate cargo industry executive plans for expansion at Anchorage International Airport (AIA).
- Replaced two aging network domain controllers with current generation servers able to take advantage of the 100MB LAN backbone speed to improve network connectivity for airport staff. Ordered additional 10/100MB ethernet switches to complete replacement of older 10MB ethernet hubs.
- ANC began participating in the Special Olympics "Toner Team" program. This benefits Special Olympics through the recycling toner cartridges.
- Developed a prototype "time clock" application using magnetic stripe card readers for Field & Equipment personnel. Testing will commence once additional network drops are installed in the shop areas and workstations are in place.

Key Performance Measures for FY2003

Measure:

Whether the department maintains the 100 percent pass level of annual federal airport certification inspections for response and safety standards set out in federal aviation regulations.

Sec 150(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

AIA received no major discrepancies and two minor problems were noted and corrected. Historically, AIA receives approximately 50 annual discrepancies and FIA receives less than three, including numerous minor deviations from FAA standards.

Benchmark Comparisons:

There is no established standard or quantitative measure for the FAA certification inspections. AIA attempts to provide the safest, most efficient service to airlines and the traveling public.

Background and Strategies:

The International Airports are inspected at least annually by the FAA to ensure safe and standard airfield operations and compliance with its FAR 139-certification requirements. These inspections cover a broad range of areas including Airport Rescue and Fire fighting (ARFF), safety, lighting, markings, runway incursions (interference with aircraft during takeoff and landing) and a number of other operating standards.

The Airports goal is to improve compliance with FAA's FAR 139 program. This can be achieved by the proper identification of deficiencies by maintenance, operations, and safety personnel. This information, in turn, must be detailed into a maintenance management program with all maintenance and training actions completed prior to annual inspections by the FAA.

These inspections note deficiencies for a broad range of inspection criteria and differ each year depending on FAA focus. Other areas that should be monitored are the existence of repeat discrepancies and attaining 100% correction

of deficient areas that do not require a CIP project.

Measure:

The annual increase or decrease, expressed as a percentage, in cargo landings at the international airports measured on a three-year rolling average.

Sec 150(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The department set a goal of a 5% annual increase in cargo growth over the three-year rolling average. The Ted Stevens Anchorage International Airport continues to experience a growing cargo business that is vital to the State of Alaska economy. Total Cargo landings for FY99 were #33,932; FY00 was #38,144 and FY01 is #39,790. FY 99 cargo landings remained constant over FY 98 due to the Asian economic crisis. We saw the landings bottom out and begin to increase in February 1999. FY 00 cargo landings vs. FY 99 landings showed a growth rate of 12.7%. 3 year rolling average for Anchorage showed a growth rate of 6.9%.

Benchmark Comparisons:

There are limited established or quantitative measures for evaluating cargo growth against other airports. Boeing World Air Cargo Forecast estimated overall growth in the air cargo industry to average 6.4% over the next 10 years. The International Air Transport Association which originally projected slightly lower growth rates, is updating their five-year projections in light of the September 11 attacks.

Background and Strategies:

Cargo growth at Anchorage continues to track upward with the world demand for air cargo. Alaska's unique position has made AIA a key player in the international cargo industry. Anchorage has historically been a transit stop between markets generally due to lack of range of the aircraft. We do not know what airlines might route more flights here depending upon the situation in the Middle East.

As the world air cargo market continues to expand and the range of the aircraft grows, the key strategy for Anchorage remains to convert existing transit stops to value-added stops. With the advent of two more of our international carriers beginning transfer operations recently, 57% of our international carriers now provide some value-added service while on the ground, either in terms of transloading or enplaning and deplaning freight. This strategy of anchoring these airlines allows us to retain our current level of business, work to expand the services offered by our current carriers and continually attract new carriers to the ever-growing marketplace.

The international airports have some strategic advantages as an international cargo stopover based simply on geographic location. However, air carriers make decisions on such stops based on a number of reasons, some of which are within the airport's control, and others which are not. The high level of international cargo activity at both the Anchorage and Fairbanks international airports results in a fairly low landing fee by industry standards. However, a reliable source of reasonably priced fuel is an equally important factor. Fortunately, that condition also exists at both Anchorage and Fairbanks and has resulted in continuing to attract and retain international cargo activity.

Measure:

Whether the department completes the Gateway Alaska Terminal Redevelopment Project by September 1, 2004.

Sec 150(b)(6) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Gateway Alaska Terminal Redevelopment Project is anticipated to be completed by September 1, 2004 at this time.

Benchmark Comparisons:

none

Background and Strategies:

The Gateway Alaska Terminal Redevelopment Project is dedicated to completing the project as planned.

Ted Stevens Anchorage International Airport
BRU Financial Summary by Component

All dollars in thousands

| | FY2001 Actuals | | | | FY2002 Authorized | | | | FY2003 Governor | | | |
|----------------------------|------------------|------------------|----------------|----------------|-------------------|------------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| AIA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6,313.0 | 6,313.0 | 0.0 | 0.0 | 6,574.1 | 6,574.1 |
| Administration | | | | | | | | | | | | |
| AIA Facilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 9,674.3 | 9,674.3 | 0.0 | 0.0 | 10,264.8 | 10,264.8 |
| AIA Field & | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8,727.5 | 8,727.5 | 0.0 | 0.0 | 9,073.1 | 9,073.1 |
| Equipment | | | | | | | | | | | | |
| Maint | | | | | | | | | | | | |
| AIA Operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2,167.6 | 2,167.6 | 0.0 | 0.0 | 2,205.4 | 2,205.4 |
| AIA Safety | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5,907.3 | 5,907.3 | 0.0 | 100.0 | 6,109.4 | 6,209.4 |
| Totals | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 32,789.7 | 32,789.7 | 0.0 | 100.0 | 34,226.8 | 34,326.8 |

Ted Stevens Anchorage International Airport
Proposed Changes in Levels of Service for FY2003

No service changes.

Ted Stevens Anchorage International Airport
Summary of BRU Budget Changes by Component
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 32,789.7 | 32,789.7 |
| Adjustments which will continue current level of service: | | | | |
| -AIA Administration | 0.0 | 0.0 | 11.1 | 11.1 |
| -AIA Facilities | 0.0 | 0.0 | 180.5 | 180.5 |
| -AIA Field & Equipment Maint | 0.0 | 0.0 | 216.4 | 216.4 |
| -AIA Operations | 0.0 | 0.0 | 37.8 | 37.8 |
| -AIA Safety | 0.0 | 0.0 | 202.1 | 202.1 |
| Proposed budget increases: | | | | |
| -AIA Administration | 0.0 | 0.0 | 250.0 | 250.0 |
| -AIA Facilities | 0.0 | 0.0 | 410.0 | 410.0 |
| -AIA Field & Equipment Maint | 0.0 | 0.0 | 129.2 | 129.2 |
| -AIA Safety | 0.0 | 100.0 | 0.0 | 100.0 |
| FY2003 Governor | 0.0 | 100.0 | 34,226.8 | 34,326.8 |

Component: Anchorage Airport Administration

Contact: Morton V. Plumb Jr., Director

Tel: (907) 266-2529 **Fax:** (907) 243-0663 **E-mail:** Morton_Plumb@dot.state.ak.us

Component Mission

The mission of Ted Stevens Anchorage International Airport (TSAIA) Administration component is to provide the overall airport management and leadership necessary to assure that all Airport functions are conducted in accordance with appropriate laws, regulations, policies, and procedures and in a safe, efficient and cost-effective manner.

Component Services Provided

- Supervise all AIA operations/activities and develop policies to assure compliance with all laws and regulations.
- Administer marketing and public relations programs.
- Plan capital improvement projects.
- Provide engineering oversight/coordination of AIA construction activities.
- Develop environmental policy and plans to meet laws and regulations.
- Provide accounting and financial reporting.
- Manage AIA land and facilities by managing contracts for operation of airport parking facilities.

Component Goals and Strategies

To direct and coordinate all Anchorage International Airport (AIA) functions and provide administrative support to the other AIA components to meet the overall mission of operating the largest airport in the state safely, cost effectively and in a manner consistent with federal, state, and local regulatory requirements, high service standards, and sensitivity to users needs and surrounding community goals, by:

- Continuing work on twenty year Airport Master Plan.
- Implementing revised Title 17 airport regulations.
- Planning for the growth in cargo operations, passengers and airport infrastructure requirements and listening to community concerns.
- Implementing the newly signed operating agreement with airlines.

Effective airport management

- Provide accurate financial and statistical information and guidance to airport staff, tenants, and other state and federal agencies.
- Manage the real property interests, rights and privileges granted at FIA consistent with the dynamic needs of general and commercial aviation tenants, other lessees and permit holders, the traveling public and the local community.
- Plan and execute a capital improvement program consistent with the Airport Master Plan and Six-Year Capital Improvement Program

Achieve network connectivity essential to TSAIA communications and law enforcement activities with no down time

- Plan and execute a cost effective equipment replacement schedule that is responsive to changing information technology requirements within and beyond the TSAIA local area network.

Key Component Issues for FY2002 – 2003

New Title 17 regulations were promulgated by January, 2001. Technical changes have been made to boilerplate language, but several agreement formats require extensive rewriting before new contracts can be offered. At the same time, Title 17 is undergoing further revision that will result in more changes to the application process and agreement language.

The airports will continue to work with air carriers to fine-tune the new operating agreements that became effective July 1, 2001.

The International Airport System has just hired a new Controller. Both airports will work with the Controller to bring him up to speed on new operating agreements, imminent revenue bond sales to fund capital project budgets, and on rates and fees which are expected to require mid-year adjustments in January, 2002.

The terrorist attacks of September 11, 2001 and the continuing changes to airport security requirements and guidelines have impacted all levels of airport management and staff and expenses. The administrative changes associated with responding to nationwide political and economic concerns will occupy significant amounts of time, energy and resources throughout the current and budget year.

- Gateway Alaska and Airport Terminal Redevelopment Program.
- Alaska Railroad Airport terminal development.
- FAA approval of Part 150 Noise Mitigation Plan and its implementation.
- Aircraft de-icing and Lake Hood discharge limits.

Major Component Accomplishments in 2001

- Prepared and mailed out 22 new Operating Agreements to the Airlines. Effort represented the culmination of long, challenging and time-consuming negotiations, which were considered most successful.
- USDOT awarded US-China frequencies - eight out of ten to cargo: Six UPS, one FedEx, one Northwest, and two United.
- Continued review, drafting, and negotiations with Williams Lynx Alaska Cargo Port Limited Liability Company regarding sublease to Northwest, assignment documents, transfer of ownership of improvements, leaseback, and development agreement for transient ramp.
- Initial design of modifications to AIAS Revenue System for Operating Agreement complete.
- Coordinated and planned Special Olympics support for arriving delegations and VIP's.
- Municipality of Anchorage (MOA) Assembly voted 10-0 in favor of Klatt Bogg easement purchase.
- Finalized plan and provided information update to the general aviation (GA) community regarding Lake Hood channel stabilization and lighting project. Project planned to minimize take-off channel closure. Project will be complete by November 17.
- Presentations prepared on Cargo and Passenger Marketing Activity, Master Plan and MOA Comprehensive Plan, CIP Program, revenue benefits of airport activity to the MOA, Emergency Mutual Aid successes, neighborhood relationship building, noise compatibility, and the Klatt Land Agreement.
- Sponsored Top of the World Air Cargo Summit at Alyeska. Over 200 national and international attendees participated with many compliments, including comments from the Airports Council International (ACI) that it was the strongest ACI conference on Air Cargo to date. Attendees included: President of UPS Airlines, US DOT China Agreements Negotiator, FAA Associate Administrator, air carriers, airports, industry representatives.
- Coordinated with FAA to do an expeditious overlay of a 300' x 250' gravel area at the intersection of Mike and Echo taxiways. AIA did the preparation work and FAA provided the funds for paving the area.
- Performed safety and beautification upgrade on overlook area on Pt. Woronzoff. The pullout is now being used daily by buses and the general public. Site improvement included hydro-axing brush, hauling fill, landscaping and installing signs and ballards (protective posts).
- Signed Joint Use Agreement with Kulis Air National Guard for the Airport to receive payments for Kulis's proportionate share of O&M costs.
- Identified major cost savings from ramp project by allowing stockpiling of excess base material. Contractual savings to date due to shorter haul were approximately \$11,000 with an additional \$216,000 in future savings by recycling and not having to purchase this base material for other projects.

Statutory and Regulatory Authority

- FAR Part 108, 612
- AS 18 Health/Safety
- AS 37.15.430

Anchorage Airport Administration

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 3,150.7 | 3,269.7 | 3,570.8 |
| 72000 Travel | 55.8 | 33.3 | 33.3 |
| 73000 Contractual | 2,741.7 | 2,733.7 | 2,693.7 |
| 74000 Supplies | 239.0 | 217.8 | 217.8 |
| 75000 Equipment | 116.8 | 58.5 | 58.5 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 6,304.0 | 6,313.0 | 6,574.1 |
| Funding Sources: | | | |
| 1027 International Airport Revenue Fund | 6,096.1 | 6,266.5 | 6,277.6 |
| 1061 Capital Improvement Project Receipts | 207.9 | 46.5 | 296.5 |
| Funding Totals | 6,304.0 | 6,313.0 | 6,574.1 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|-----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 61,467.0 | 64,879.2 | 68,636.9 | 72,533.9 | 84,767.9 |
| Unrestricted Total | | 61,467.0 | 64,879.2 | 68,636.9 | 72,533.9 | 84,767.9 |
| Restricted Revenues | | | | | | |
| Capital Improvement Project Receipts | 51200 | 207.9 | 46.5 | 296.5 | 296.5 | 296.5 |
| Restricted Total | | 207.9 | 46.5 | 296.5 | 296.5 | 296.5 |
| Total Estimated Revenues | | 61,674.9 | 64,925.7 | 68,933.4 | 72,830.4 | 85,064.4 |

Anchorage Airport Administration
Proposed Changes in Levels of Service for FY2003

No service changes.

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 6,313.0 | 6,313.0 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 87.8 | 87.8 |
| -Transfer \$40.0 to FIA for Risk Management Costs RP 25-2-6438 | 0.0 | 0.0 | -40.0 | -40.0 |
| -Transfer out PCN25-0951 and \$36.7 to Safety to aid with "Lost and Found" inquiries RP25-2-6438 | 0.0 | 0.0 | -36.7 | -36.7 |
| Proposed budget increases: | | | | |
| -Add CIP Receipt authority for 3 PFT project engineering positions | 0.0 | 0.0 | 250.0 | 250.0 |
| FY2003 Governor | 0.0 | 0.0 | 6,574.1 | 6,574.1 |

Anchorage Airport Administration

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|--------------------------------|------------------|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 49 | 51 | Annual Salaries | 2,610,943 |
| Part-time | 0 | 0 | COLA | 68,500 |
| Nonpermanent | 0 | 0 | Premium Pay | 112,980 |
| | | | Annual Benefits | 973,624 |
| | | | Less 5.18% Vacancy Factor | (195,247) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 49 | 51 | Total Personal Services | 3,570,800 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Clerk II | 5 | 0 | 0 | 0 | 5 |
| Administrative Clerk III | 3 | 0 | 0 | 0 | 3 |
| Administrative Manager IV | 1 | 0 | 0 | 0 | 1 |
| Airport Manager Anch | 1 | 0 | 0 | 0 | 1 |
| AK Intl Airport Sys Plnr | 1 | 0 | 0 | 0 | 1 |
| Analyst/Programmer III | 1 | 0 | 0 | 0 | 1 |
| Analyst/Programmer IV | 2 | 0 | 0 | 0 | 2 |
| Asst Commissioner | 1 | 0 | 0 | 0 | 1 |
| Data Processing Mgr I | 1 | 0 | 0 | 0 | 1 |
| Dev Spec II, Option A | 1 | 0 | 0 | 0 | 1 |
| Drafting Technician III | 1 | 0 | 0 | 0 | 1 |
| Engineer/Architect II | 2 | 0 | 0 | 0 | 2 |
| Engineer/Architect IV | 1 | 0 | 0 | 0 | 1 |
| Engineering Assistant II | 1 | 0 | 0 | 0 | 1 |
| Environ Eng Asst II | 1 | 0 | 0 | 0 | 1 |
| Environmental Analyst II | 1 | 0 | 0 | 0 | 1 |
| Environmental Analyst III | 2 | 0 | 0 | 0 | 2 |
| Environmental Coordinator | 1 | 0 | 0 | 0 | 1 |
| Leasing Officer I | 1 | 0 | 0 | 0 | 1 |
| Leasing Officer II | 5 | 0 | 0 | 0 | 5 |
| Leasing Officer III | 3 | 0 | 0 | 0 | 3 |
| Micro/Network Tech II | 2 | 0 | 0 | 0 | 2 |
| Personnel Asst I | 1 | 0 | 0 | 0 | 1 |
| Planner II | 1 | 0 | 0 | 0 | 1 |
| Planner III | 2 | 0 | 0 | 0 | 2 |
| Procurement Spec I | 1 | 0 | 0 | 0 | 1 |
| Program Coordinator | 1 | 0 | 0 | 0 | 1 |
| Project Coordinator | 1 | 0 | 0 | 0 | 1 |
| Safety Officer | 1 | 0 | 0 | 0 | 1 |
| Secretary | 1 | 0 | 0 | 0 | 1 |
| Spec Asst To The Comm I | 1 | 0 | 0 | 0 | 1 |
| Tech Eng I / Architect I | 1 | 0 | 0 | 0 | 1 |
| Trans Planner I | 1 | 0 | 0 | 0 | 1 |
| Trans Planner II | 1 | 0 | 0 | 0 | 1 |
| Totals | 51 | 0 | 0 | 0 | 51 |

Component: Anchorage Airport Facilities

Contact: Morton V. Plumb Jr., Director

Tel: (907) 266-2529 **Fax:** (907) 243-0663 **E-mail:** Morton_Plumb@dot.state.ak.us

Component Mission

The mission of the Airport Facilities component is to protect the State's investment in AIA's buildings by maintaining, in the most cost-effective manner possible, plant-in-place infrastructure and other facilities to meet or exceed their planned useful life, and to present at all times a clean and attractive Passenger Terminal and other airport facilities to the traveling public and airport tenants.

Component Services Provided

Maintenance staff provide services to the airport terminal building, the Airport Rescue and Fire Fighting facility, and all of the other state owned or managed buildings at TSAIA. Responsibilities include: repair and maintenance of heating, ventilating, and air conditioning systems; baggage conveyor systems; escalators and elevators, automated doors and gates, interior lighting systems, finishings; exterior electrical systems including runway and taxiway lights, tiedown and vehicle parking electrical outlets and flood lights; coordination of both tenant and state sponsored construction, renovations, and repairs.

Custodial tasks include daily cleaning in the passenger terminal which is open 24 hours daily, (multiple cleanings in departure areas), administrative offices, and at the ARFF/maintenance complex. Employees shovel snow from sidewalks, other walkways, and the terminal roof; assist in shoveling runway lights when needed, and conduct landscape maintenance of the immediate terminal grounds.

Component Goals and Strategies

To maintain continuous, uninterrupted use of one million square feet of Anchorage International Airport (AIA) buildings and associated systems by air carriers, tenants, concessionaires, and the traveling public

- Identify, repair, renovate, and/or replace structural, plumbing and electrical components before inconvenience or hazards arise
- Maintain facilities in a like-new condition
- Maintain at 100% efficiency the airfield lighting and signage systems in the certificated air carrier movement area and the general aviation portion of the airport
- Conduct cleaning, snow removal, and landscaping for the passenger terminal in a cost effective and unobtrusive manner during periods of high passenger activity when necessary
- Conduct maintenance activities in and affecting public use areas during less busy times when possible

Key Component Issues for FY2002 – 2003

Cleaning and maintaining the Passenger Terminal during scheduled remodeling and construction of the Gateway Alaska project.

Security changes have also impacted the custodial staff regarding access to secure areas and routine cleaning.

Major Component Accomplishments in 2001

- Conducted asbestos employee awareness training for Airport custodial/maintenance staff, tenant managers, and Director's staff (14 sessions).
- Rebuilt and replaced emergency generator controls to ensure paralleling service.
- Added new indoor air quality compliant filters to South Terminal fan filter banks. This major improvement consists of a new three stage filtering system to improve air flow and air quality in the terminal
- Re-calibrated airflow and pneumatics in North Terminal and South Terminal heating & ventilation.

Statutory and Regulatory Authority

- AS 02 Aeronautics
- AS 44 State Government
- AS 18 Health and Safety
- NFPA/AK Fire Code

Anchorage Airport Facilities

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 6,148.3 | 6,329.0 | 6,649.5 |
| 72000 Travel | 12.7 | 27.0 | 27.0 |
| 73000 Contractual | 2,649.0 | 2,611.0 | 2,881.0 |
| 74000 Supplies | 754.0 | 614.3 | 614.3 |
| 75000 Equipment | 146.7 | 93.0 | 93.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 9,710.7 | 9,674.3 | 10,264.8 |
| Funding Sources: | | | |
| 1027 International Airport Revenue Fund | 9,710.7 | 9,674.3 | 10,264.8 |
| Funding Totals | 9,710.7 | 9,674.3 | 10,264.8 |

Anchorage Airport Facilities**Proposed Changes in Levels of Service for FY2003**

An apprenticeship program is requested to provide an adequate training ground for building maintenance staff and avoid difficulties in recruitment when existing staff retires.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 9,674.3 | 9,674.3 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 180.5 | 180.5 |
| Proposed budget increases: | | | | |
| -Increase IARF for utility cost and usage increases | 0.0 | 0.0 | 270.0 | 270.0 |
| -Add 4 PFT Maintenance Workers to implement Apprenticeship Program | 0.0 | 0.0 | 140.0 | 140.0 |
| FY2003 Governor | 0.0 | 0.0 | 10,264.8 | 10,264.8 |

Anchorage Airport Facilities

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|--------------------------------|------------------|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 113 | 117 | Annual Salaries | 4,536,605 |
| Part-time | 0 | 0 | COLA | 125,965 |
| Nonpermanent | 0 | 0 | Premium Pay | 371,748 |
| | | | Annual Benefits | 1,938,271 |
| | | | Less 4.63% Vacancy Factor | (323,089) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 113 | 117 | Total Personal Services | 6,649,500 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|------------|-----------|----------|----------|------------|
| Administrative Assistant | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk II | 2 | 0 | 0 | 0 | 2 |
| Building Maint Manager | 1 | 0 | 0 | 0 | 1 |
| Building Maint Supt | 1 | 0 | 0 | 0 | 1 |
| Building Mgmt Specialist | 1 | 0 | 0 | 0 | 1 |
| Custodial Services Spvr | 1 | 0 | 0 | 0 | 1 |
| Enviro Services Foreman | 4 | 0 | 0 | 0 | 4 |
| Enviro Services Journey II | 50 | 0 | 0 | 0 | 50 |
| Maint Gen Journey | 21 | 0 | 0 | 0 | 21 |
| Maint Gen Sub - Journey I | 3 | 0 | 0 | 0 | 3 |
| Maint Spec Bfc Foreman | 1 | 0 | 0 | 0 | 1 |
| Maint Spec Bfc Journey I | 11 | 0 | 0 | 0 | 11 |
| Maint Spec Bfc Jrny II/Lead | 3 | 0 | 0 | 0 | 3 |
| Maint Spec Etrician Foreman | 1 | 0 | 0 | 0 | 1 |
| Maint Spec Etrician Journey II | 6 | 0 | 0 | 0 | 6 |
| Maint Spec Etrician Journey I | 5 | 0 | 0 | 0 | 5 |
| Maint Spec Plumb Jrny II | 3 | 0 | 0 | 0 | 3 |
| Stock & Parts Svcs Lead | 2 | 0 | 0 | 0 | 2 |
| Totals | 117 | 0 | 0 | 0 | 117 |

Component: Anchorage Airport Field and Equipment Maintenance

Contact: Morton V. Plumb Jr., Director

Tel: (907) 266-2529 **Fax:** (907) 243-0663 **E-mail:** Morton_Plumb@dot.state.ak.us

Component Mission

The mission of Field Maintenance is to provide safe aircraft movement surfaces through efficient and cost-effective maintenance of the Air Operations Area, and to maintain vehicle roads, parking lots and other grounds in compliance with FAA Airport Certification Requirements, as well as accepted prudent maintenance requirements and practices.

Component Services Provided

- Maintain and repair 208 units of field maintenance equipment, fire fighting equipment, and other vehicles, 134 units of controlled property (small equipment).
- Repair/maintain all pavement areas, remove snow and ice from airport runways, taxiways, roadways, and grounds.
- Perform daily maintenance inspections of airport areas and retain related data required by FAR 139 regulations.

Component Goals and Strategies

Conduct maintenance activities in such a way as to maintain 100% runway availability (no runway closures) while maintaining safe landing surfaces in all conditions including adverse weather and peak usage periods.
Maintain and repair all Anchorage International Airport (AIA) rolling and stationary equipment to a high degree of reliability using efficient and cost effective methods.

Efficiently maintain all airport light and heavy-duty equipment to maximize useful life and meet all airport vehicle and equipment maintenance requirements.

Maintain and repair all airport runways, taxiways, aircraft parking areas, roads, and grounds to ensure high service standards and compliance with Federal Aviation Administration (FAA) and environmental regulations on a basis of 24 hours a day, 365 days a year.

Continue providing a well trained, safety conscious, dedicated airport maintenance staff.

Key Component Issues for FY2002 – 2003

Coordinating snow removal to the new snow dump in efficient and cost effective manner. There may be regulation changes that require a runway de-icing chemical that, while more expensive, is better for the environment.

Major Component Accomplishments in 2001

- Completely re-lamped all the fixtures on runway 6R due to a power surge and made repairs in Vault 1, changing out regulator parts, replacing damper motors, and repairing the relay panel controls to the Tower. Fairbanks International donated two 50KW regulators to us that they had in storage, which will be used to replace the two regulators that were damaged during a power change over that failed.
- Modified the new high-speed broom to reduce the response time for the broom to go up and down. This greatly improved the safety of the operation.
- Fabricated stands for testing and repair of runway broom cores. The first core repaired in house saved nearly \$10,000.

Creative fabrication of adapter plates for conversion of runway broom covers enabled a saving of \$24,000 with improved reliability and reduced overall operating costs.

Statutory and Regulatory Authority

- AS 02 Aeronautics
- AS 18 Health/Safety

- AS 44 State Government
- FAR PT 139,107,108

Anchorage Airport Field and Equipment Maintenance

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 5,069.6 | 5,532.7 | 5,749.1 |
| 72000 Travel | 2.8 | 8.5 | 8.5 |
| 73000 Contractual | 756.0 | 593.0 | 722.2 |
| 74000 Supplies | 2,669.6 | 2,575.3 | 2,575.3 |
| 75000 Equipment | 176.7 | 18.0 | 18.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 8,674.7 | 8,727.5 | 9,073.1 |
| Funding Sources: | | | |
| 1027 International Airport Revenue Fund | 8,674.7 | 8,727.5 | 9,073.1 |
| Funding Totals | 8,674.7 | 8,727.5 | 9,073.1 |

Anchorage Airport Field and Equipment Maintenance**Proposed Changes in Levels of Service for FY2003**

No services changes planned.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 8,727.5 | 8,727.5 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 216.4 | 216.4 |
| Proposed budget increases: | | | | |
| -Increase IARF for fuel cost and usage increases | 0.0 | 0.0 | 90.0 | 90.0 |
| -Increase IARF for State Equipment Fleet Rate Increases | 0.0 | 0.0 | 39.2 | 39.2 |
| FY2003 Governor | 0.0 | 0.0 | 9,073.1 | 9,073.1 |

Anchorage Airport Field and Equipment Maintenance

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|--------------------------------|------------------|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 83 | 83 | Annual Salaries | 3,723,770 |
| Part-time | 4 | 4 | COLA | 154,620 |
| Nonpermanent | 9 | 9 | Premium Pay | 571,385 |
| | | | Annual Benefits | 1,562,717 |
| | | | Less 4.38% Vacancy Factor | (263,392) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 96 | 96 | Total Personal Services | 5,749,100 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Clerk II | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk III | 2 | 0 | 0 | 0 | 2 |
| Asst Mgr Airfield Maintenance | 1 | 0 | 0 | 0 | 1 |
| Enviro Services Journey II | 1 | 0 | 0 | 0 | 1 |
| Equip Operator Foreman I | 3 | 0 | 0 | 0 | 3 |
| Equip Operator Journey I | 8 | 0 | 0 | 0 | 8 |
| Equip Operator Journey II | 34 | 0 | 0 | 0 | 34 |
| Equip Operator Sub Journey I | 9 | 0 | 0 | 0 | 9 |
| Equip Operator Sub Journey II | 6 | 0 | 0 | 0 | 6 |
| Maint Gen Journey | 1 | 0 | 0 | 0 | 1 |
| Maint Spec Etrician Foreman | 1 | 0 | 0 | 0 | 1 |
| Maint Spec Etrician Journey II | 9 | 0 | 0 | 0 | 9 |
| Manager, Airfield Maintenance | 1 | 0 | 0 | 0 | 1 |
| Mech Auto Foreman II | 1 | 0 | 0 | 0 | 1 |
| Mech Auto Lead/Spec | 15 | 0 | 0 | 0 | 15 |
| Stock & Parts Svcs Lead | 3 | 0 | 0 | 0 | 3 |
| Totals | 96 | 0 | 0 | 0 | 96 |

Component: Anchorage Airport Operations

Contact: Morton V. Plumb Jr., Director

Tel: (907) 266-2529 **Fax:** (907) 243-0663 **E-mail:** Morton_Plumb@dot.state.ak.us

Component Mission

The mission of the AIA Operations component is to ensure a safe, well constructed, well coordinated, environmentally sound operating environment for air carriers and other airport tenants, general aviation, the traveling public, and employees.

Component Services Provided

- Performance of duties required by FAA parts 139 and 107, such as daily inspections and surface friction measurements.
- Notice to Airmen(NOTAM) filings - dissemination to the FAA and air carriers.
- Certification plan updates.
- Monitoring of land lease activity and tie down parking for compliance with authorized uses.
- General operational support to air carriers general aviation community.
- 24 hour central dispatch radio communications for all airport functions and emergencies.
- Prompt and accurate information dissemination to air carriers.
- Develop operations plans, monitor air operations activities and recognize, report and resolve aircraft operating problems.

Other services include engineering analysis for adherence to FARs and FAA Advisory Circulars; design analysis, cost estimation, bid proposal development in support of planning, design and construction of airport facilities; airport facility plans and drawings updates; environmental assessment, remediation, and prevention of hazardous waste problems at airport and tenant facilities. Development and implementation of employee safety training programs.

Component Goals and Strategies

The goal of the Operations component is to provide high quality operations expertise to comply with Federal Aviation Administration (FAA) airport certification requirements; provide safe operating environment for air carrier, general aviation, and the traveling public, and to minimize the state's liability from air operations.

- Provide the coordination necessary to minimize the State's exposure to liability resulting from aircraft operations (landings and takeoffs) and ground operations for both aircraft and authorized vehicles
- Provide engineering expertise and oversight in the planning, design and construction of airport capital projects and facilities maintenance
- Encourage noise abatement procedures in compliance with FARs and the FAA approved TSAIA noise study
- Develop comprehensive training program in response to EPA and OSHA requirements

Key Component Issues for FY2002 – 2003

Development of airfield movement areas to facilitate and support orderly cargo expansion.

General aviation (GA) program support and compliance with changes to operating and lease provisions as a result of title 17 changes.

Additional resources may be necessary to address increased security requirements resulting from the September 11, 2001 terrorist attacks.

Major Component Accomplishments in 2001

- Safe flight operations were safely conducted in excess of 100 operations per hour on numerous days with a high of nearly 1,700 operations in a 24-hour period and nearly 300,000 operations annually.
- Completed comprehensive FAA security and certification inspections with no airport security discrepancies and only minor airfield deviations. Inspection team commented "the Airport was the best they've seen in over ten years."
- Conducted extensive discussions with airlines to balance summer gate requirements. Gate A-7 assigned to Northwest Airlines and gate A-8 assigned to Alaska Airlines.
- Coordinated summer construction planning and phasing to minimize operational impacts.
- Eliminated a potential foreign hazard at a cost saving of approximately \$40,000.

Statutory and Regulatory Authority

- AS 02 Aeronautics
- AS 44 State Government
- FAR PT 107,139

Anchorage Airport Operations

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,402.6 | 1,476.7 | 1,514.5 |
| 72000 Travel | 3.3 | 2.0 | 2.0 |
| 73000 Contractual | 712.1 | 677.9 | 677.9 |
| 74000 Supplies | 62.2 | 11.0 | 11.0 |
| 75000 Equipment | 26.3 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 2,206.5 | 2,167.6 | 2,205.4 |
| Funding Sources: | | | |
| 1027 International Airport Revenue Fund | 2,206.5 | 2,167.6 | 2,205.4 |
| Funding Totals | 2,206.5 | 2,167.6 | 2,205.4 |

Anchorage Airport Operations
Proposed Changes in Levels of Service for FY2003

none

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 2,167.6 | 2,167.6 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 37.8 | 37.8 |
| FY2003 Governor | 0.0 | 0.0 | 2,205.4 | 2,205.4 |

Anchorage Airport Operations

Personal Services Information

| Authorized Positions | | Personal Services Costs | |
|----------------------|-------------------|-------------------------|--|
| | <u>FY2002</u> | <u>FY2003</u> | |
| | <u>Authorized</u> | <u>Governor</u> | |
| Full-time | 25 | 25 | Annual Salaries 994,462 |
| Part-time | 0 | 0 | COLA 24,101 |
| Nonpermanent | 0 | 0 | Premium Pay 106,843 |
| | | | Annual Benefits 427,665 |
| | | | Less 2.48% Vacancy Factor (38,571) |
| | | | Lump Sum Premium Pay 0 |
| Totals | 25 | 25 | Total Personal Services 1,514,500 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Clerk II | 2 | 0 | 0 | 0 | 2 |
| Administrative Clerk III | 1 | 0 | 0 | 0 | 1 |
| Airport Oprs Officer | 9 | 0 | 0 | 0 | 9 |
| Airport Oprs Supt, AIA | 1 | 0 | 0 | 0 | 1 |
| Leasing Officer II | 1 | 0 | 0 | 0 | 1 |
| Radio Dispatcher II | 10 | 0 | 0 | 0 | 10 |
| Radio Dispatcher III | 1 | 0 | 0 | 0 | 1 |
| Totals | 25 | 0 | 0 | 0 | 25 |

Component: Anchorage Airport Safety

Contact: Morton V. Plumb Jr., Director

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Component Mission

Perform Airport Rescue and Firefighting (ARFF), law enforcement, emergency medical technician and airfield operations services that meet FAA airport certification and security requirements on the airport in a cost effective, efficient manner, while being responsive to airport management, user, and community needs.

Component Services Provided

- Provide crash/fire rescue and emergency medical services for AIA in compliance with FAA mandates as well as other federal, state, and local requirements.
- Plan, staff, train for, and respond to real and simulated aircraft and bomb threat incidents, accidents, and natural disasters
- Provide or contract primary police, traffic control, and guard service on AIA property.
- Coordinate all FAA required security measures and mandates such as inspection of security points on AIA property including gates and fencing.
- Oversight of screening point activities.

Component Goals and Strategies

Ensure compliance with all Federal Aviation Administration (FAA), other federal, state, and local mandates related to Anchorage International Airport (AIA) fire, security, and police protection for the safe operation of the airport on a basis of 24 hours per day, 365 days per year.

- Maintain training to meet or exceed minimum ASO fitness requirements for fire fighting and law enforcement.
- Manage staffing plans to minimize overtime while meeting FAA-required minimum staffing levels.
- Maintain operational standards for use of all fire fighting vehicles, equipment, and personal gear.
- Provide training opportunities for achieving emergency medical technician certification.
- Participate in airport Triennial Emergency Exercise with other community mutual aid providers.

Key Component Issues for FY2002 – 2003

Recent instances of suspected or confirmed international terrorism have resulted in increased levels of awareness in airport security. Additional resources may be necessary to implement new FAA security procedures and maintain diligence in protecting the traveling public resulting from the September 11, 2001 terrorist attacks.

Major Component Accomplishments in 2001

- Installed four Explosive Trace Detectors (ETDs). AIA law enforcement participation in this installation and establishment of procedures resulted in AIA becoming the "standard model" for other airports.
- Completed 99% of airport radio system conduit, cabling, and antenna systems installations throughout the terminal and tug alleys to improve transmission and reception for 800 mhz radio trunking system.
- Airport Safety participated in the recent FAR 139 testing, and received no violations.

Statutory and Regulatory Authority

- AS 02 Aeronautics
- AS 18 Health and Safety
- AS 44 State Government
- FAR PT 107, 108, 139, 612

Anchorage Airport Safety

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 4,755.6 | 4,873.3 | 5,075.4 |
| 72000 Travel | 14.8 | 12.0 | 12.0 |
| 73000 Contractual | 824.8 | 807.0 | 839.0 |
| 74000 Supplies | 275.0 | 195.0 | 225.0 |
| 75000 Equipment | 66.0 | 20.0 | 58.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 5,936.2 | 5,907.3 | 6,209.4 |
| Funding Sources: | | | |
| 1002 Federal Receipts | 0.0 | 0.0 | 100.0 |
| 1027 International Airport Revenue Fund | 5,936.2 | 5,907.3 | 6,109.4 |
| Funding Totals | 5,936.2 | 5,907.3 | 6,209.4 |

Anchorage Airport Safety

Proposed Changes in Levels of Service for FY2003

Additional resources may be necessary to address increased FY02 and FY03 security requirements resulting from the September 11, 2001 terrorist attacks.

Participation in a federal drug seizure program will provide the airport with additional training and safety supplies and equipment to reduce drug smuggling.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 5,907.3 | 5,907.3 |
| Adjustments which will continue current level of service: | | | | |
| -Transfer in PCN25-0951 from Admin and \$36.7 to perform "Lost and Found" duties RP25-2-6438 | 0.0 | 0.0 | 36.7 | 36.7 |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 165.4 | 165.4 |
| Proposed budget increases: | | | | |
| -Add Federal Receipts to implement Drug Seizure Fund Program | 0.0 | 100.0 | 0.0 | 100.0 |
| FY2003 Governor | 0.0 | 100.0 | 6,109.4 | 6,209.4 |

Anchorage Airport Safety

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 62 | 63 | Annual Salaries | 3,380,880 |
| Part-time | 0 | 0 | COLA | 139,949 |
| Nonpermanent | 0 | 0 | Premium Pay | 550,495 |
| | | | Annual Benefits | 1,315,935 |
| | | | <i>Less 5.79% Vacancy Factor</i> | (311,859) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 62 | 63 | Total Personal Services | 5,075,400 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|----------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Clerk II | 2 | 0 | 0 | 0 | 2 |
| Administrative Clerk III | 2 | 0 | 0 | 0 | 2 |
| Airport Safety Off V | 1 | 0 | 0 | 0 | 1 |
| Airport Safety Off VI | 1 | 0 | 0 | 0 | 1 |
| Airport Safety Officer I | 4 | 0 | 0 | 0 | 4 |
| Airport Safety Officer II | 43 | 0 | 0 | 0 | 43 |
| Airport Safety Officer III | 7 | 0 | 0 | 0 | 7 |
| Airport Safety Officer IV | 3 | 0 | 0 | 0 | 3 |
| Totals | 63 | 0 | 0 | 0 | 63 |

Fairbanks International Airport Budget Request Unit

Contact: Doyle C. Ruff, Airport Manager

Tel: (907) 474-2507 **Fax:** (907) 474-2513 **E-mail:** doyle_ruff@dot.state.ak.us

BRU Mission

The mission of the Fairbanks International Airport (FIA) is to provide to Fairbanks and Interior Alaska a safe, efficient, convenient, and economical aviation facility to meet the needs of both the traveling public and the aviation industry in a manner consistent with Federal and State Regulatory requirements.

BRU Services Provided

See components

BRU Goals and Strategies

Work toward financial self-sufficiency

- Increase operational efficiency
- Exercise prudent management practices and necessary fiscal constraints
- Maximize the life and use of existing facilities and equipment

Provide a safe airport environment for both air and ground operations

- Become a model facility demonstrating environmentally sound practices
- Plan for future needs.

Key BRU Issues for FY2002 – 2003

- The Operating Agreement that establishes and defines the financial relationship between the airport and air carriers expired June 30, 2000. New agreements were executed with major air carriers at both international airports effective July 1, 2001. The agreement sets the methodology for calculating terminal rental rates, landing, docking fees, and other charges.
- Work continues on an update to FIA's master plan and noise study. Master plans define goals and objectives for the airport, forecast passenger and operations growth, assess future fleet mixes, and outline alternatives to meet that future growth. However, the recent and dramatic changes to airport security requirements will have great impact on long range planning and design. Consultants are gathering new information that will be incorporated into significantly revised master plan alternatives.
- Construction has begun on the long-awaited maintenance facility, and we expect to occupy the building before the end of FY02.
- Widening and lengthening the general aviation runway 1R/19L and relocating the winter ski strip should see construction completed by fall of 2002. The new runway is expected to eliminate thousands of crossings of the main air carrier runway 1L/19R by smaller commuter aircraft, thereby eliminating a two-mile round trip taxi, increasing safety by reducing the opportunity for runway incursions, and freeing the main air carrier runway for more use by larger air carriers. The float pond will expand to connect to a gravel pit excavated in support of several other projects in recent years, including shaping the shoreline and tiedown areas, building access roads, taxilanes, and a new floatplane ramp.

Major BRU Accomplishments in 2001

See individual components.

Key Performance Measures for FY2003

Measure:

Whether the department maintains the 100 percent pass level of annual federal airport certification inspections for response and safety standards set out in federal aviation regulations
Sec 150(b)(4) Ch 90 SLA 2001(hb250)

Alaska's Target & Progress:

Historically, FIA receives less than three noted discrepancies during the annual airport certification inspection. These inspections note deficiencies for a broad range of inspection criteria that differ each year depending on FAA focus. During the 2000 certification inspection, no actual discrepancies were noted. The Certification Inspector did recommend five areas for review including, for example, the driver's training program, updating the non-standard signage on the general aviation side of the airport, and revising the certification manual to include the bird management program. Changes have been made, and the update to the manual is in progress. FIA does not expect that these topics will need to be addressed again in the 2001 inspection.

Benchmark Comparisons:

There are no established standards or quantitative measures for evaluating FAA certification inspections.

Background and Strategies:

Both airports attempt to provide the safest, most efficient service to airlines and the traveling public. The International Airports are inspected at least annually by the FAA to ensure safe and standard airfield operations and compliance with its FAR 139-certification requirements. These inspections cover a broad range of areas including Airport Rescue and Fire fighting (ARFF), safety, lighting, markings, runway incursions (interference with aircraft during takeoff and landing) and other operating standards.

The Airports' goal is to continually improve compliance with FAA's FAR 139 program. This can be achieved by the proper identification of deficiencies by maintenance, operations, and safety personnel. Any instances of repeat discrepancies require special attention and it is our goal to attain 100% correction of deficient areas that do not require a CIP project.

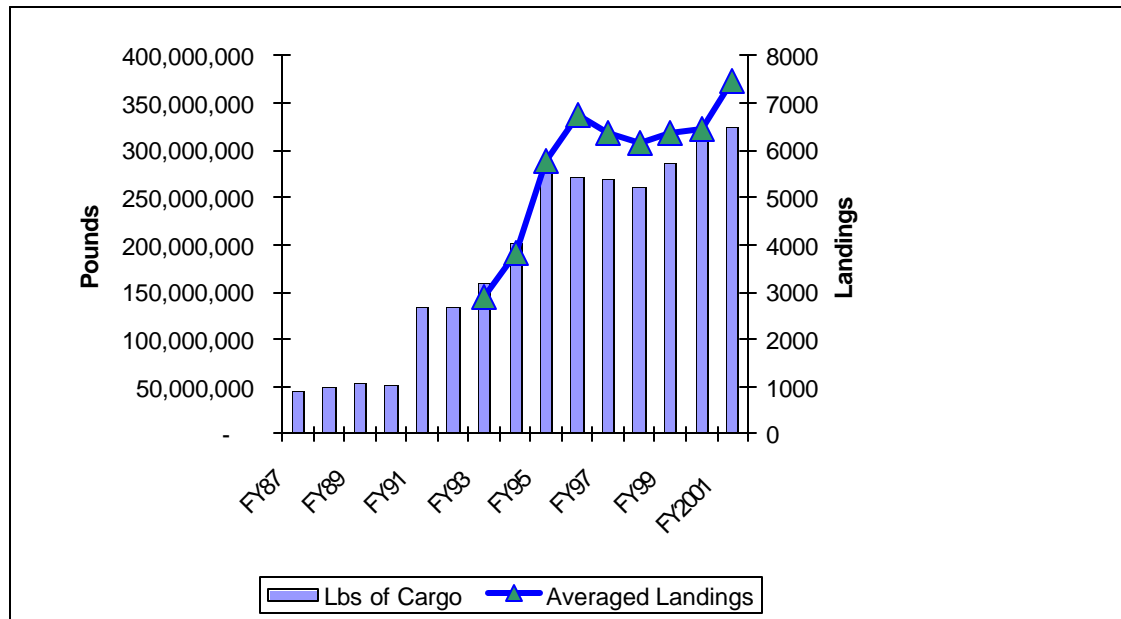
Measure:

The annual increase or decrease, expressed as a percentage, in cargo landings at the international airports measured on a three-year rolling average.
Sec 150(b)(5) Ch 90 SLA 2001(HB250)

Alaska's Target & Progress:

Cargo landings have been tracked since FY93. Over these years, Fairbanks International Airport has achieved a three-year rolling average of about 12% annual growth, due mostly to large jumps in the early years. For the last four years growth has averaged around 2%. At the same time, however, growth in pounds of cargo throughput has increased about 5% per year.

In FY2001 international cargo landing fees accounted for half of total landing fees collected at FIA. International routes can be very volatile and are subject to changing economic and political conditions worldwide. For example, Air France added four more flights per week for October, 2001 because of conditions in Tashkent, Uzbekistan. We were also informed that Lufthansa might route more flights here depending upon the situation in the Middle East.



Benchmark Comparisons:

There are limited established or quantitative measures for evaluating cargo growth against other airports. Boeing World Air Cargo Forecast estimates overall growth in the air cargo industry to average 6.4% over the next 10 years. The International Air Transport Association, which originally projected slightly lower growth rates, is updating their five-year projections in light of the September 11 attacks.

Background and Strategies:

The international airports have some strategic advantages as an international cargo stop over based simply on geographic location. However, air carriers make decisions on such stops based on a number of reasons, some of which are within the airport's control, and others that are not. The high level of international cargo activity at both the Anchorage and Fairbanks International Airports results in a fairly low landing fee by industry standards. However a reliable source of reasonably priced fuel is an equally important factor. Fortunately, that condition also exists at both Anchorage and Fairbanks and continues to attract and retain international cargo activity.

The Fairbanks business community continues to vigorously support FIA in its efforts to attract and keep cargo carriers because these operations have a considerable positive economic impact on the community.

Fairbanks International Airport
BRU Financial Summary by Component

All dollars in thousands

| | FY2001 Actuals | | | | FY2002 Authorized | | | | FY2003 Governor | | | |
|----------------------------|------------------|------------------|----------------|----------------|-------------------|------------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| FIA | 0.0 | 0.0 | 1,457.1 | 1,457.1 | 0.0 | 0.0 | 1,561.2 | 1,561.2 | 0.0 | 0.0 | 1,630.3 | 1,630.3 |
| Administration | | | | | | | | | | | | |
| FIA Facilities | 0.0 | 0.0 | 2,218.0 | 2,218.0 | 0.0 | 0.0 | 2,287.2 | 2,287.2 | 0.0 | 0.0 | 2,516.5 | 2,516.5 |
| FIA Field & | 0.0 | 0.0 | 2,558.5 | 2,558.5 | 0.0 | 0.0 | 2,822.3 | 2,822.3 | 0.0 | 0.0 | 2,942.3 | 2,942.3 |
| Equipment | | | | | | | | | | | | |
| Maint | | | | | | | | | | | | |
| FIA Operations | 0.0 | 0.0 | 1,022.3 | 1,022.3 | 0.0 | 0.0 | 1,145.4 | 1,145.4 | 0.0 | 0.0 | 1,173.8 | 1,173.8 |
| FIA Safety | 0.0 | 0.0 | 2,324.5 | 2,324.5 | 0.0 | 0.0 | 2,386.7 | 2,386.7 | 0.0 | 0.0 | 2,469.6 | 2,469.6 |
| Totals | 0.0 | 0.0 | 9,580.4 | 9,580.4 | 0.0 | 0.0 | 10,202.8 | 10,202.8 | 0.0 | 0.0 | 10,732.5 | 10,732.5 |

Fairbanks International Airport
Proposed Changes in Levels of Service for FY2003

See components

Fairbanks International Airport
Summary of BRU Budget Changes by Component
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 10,202.8 | 10,202.8 |
| Adjustments which will continue current level of service: | | | | |
| -FIA Administration | 0.0 | 0.0 | 69.1 | 69.1 |
| -FIA Facilities | 0.0 | 0.0 | 33.8 | 33.8 |
| -FIA Field & Equipment Maint | 0.0 | 0.0 | 84.7 | 84.7 |
| -FIA Operations | 0.0 | 0.0 | 28.4 | 28.4 |
| -FIA Safety | 0.0 | 0.0 | 74.7 | 74.7 |
| Proposed budget increases: | | | | |
| -FIA Facilities | 0.0 | 0.0 | 195.5 | 195.5 |
| -FIA Field & Equipment Maint | 0.0 | 0.0 | 35.3 | 35.3 |
| -FIA Safety | 0.0 | 0.0 | 8.2 | 8.2 |
| FY2003 Governor | 0.0 | 0.0 | 10,732.5 | 10,732.5 |

Component: Fairbanks Airport Administration

Contact: Doyle C. Ruff, Airport Manager

Tel: (907) 474-2507 **Fax:** (907) 474-2513 **E-mail:** doyle_ruff@dot.state.ak.us

Component Mission

The mission of Fairbanks International Airport (FIA) Administration component is to provide the overall airport management and leadership necessary to assure that all Airport functions are conducted in accordance with appropriate laws, regulations, policies, and procedures and in a safe, efficient and cost-effective manner

Component Services Provided

Specific services include: planning, organizing, directing and controlling airport functions; development and implementation of Strategic Management Plans; operating and capital budget development; collection of landing fees, rents, concession and other revenues, accounts payable, Pcard reconciliation, payroll/T&E processing, collection and dissemination of airport statistical and financial data to the state, FAA and others; revenue, expenditure, and statistical analysis; negotiation and administration of 137 leases, airline operating agreements, and other permits; management of over 500 aircraft tie-down and float pond permits; computer work station and network maintenance.

Component Goals and Strategies

Effective airport management

- Provide accurate financial and statistical information and guidance to airport staff, tenants, and other state and federal agencies.
- Manage the real property interests, rights and privileges granted at FIA consistent with the dynamic needs of general and commercial aviation tenants, other lessees and permit holders, the traveling public and the local community.
- Plan and execute a capital improvement program consistent with the Airport Master Plan and Six-Year Capital Improvement Program.
- Achieve network connectivity essential to FIA communications and law enforcement activities with no down time.
- Plan and execute a cost effective equipment replacement schedule that is responsive to changing information technology requirements within and beyond the FIA local area network.

Key Component Issues for FY2002 – 2003

- New Title 17 regulations were promulgated in January, 2001. Technical changes have been made to boilerplate language, but several agreement formats require extensive rewriting before new contracts can be offered. At the same time, Title 17 is undergoing further revision that will result in more changes to the application process and agreement language.
- The airports will continue to work with air carriers to fine-tune the new operating agreements that became effective July 1, 2001.
- The International Airport System has just hired a new Controller. Both airports will work with the Controller to bring him up to speed on new operating agreements, imminent revenue bond sales to fund capital project budgets, and on rates and fees which are expected to require mid-year adjustments in January, 2002.
- The terrorist attacks of September 11, 2001 and the continuing changes to airport security requirements and guidelines have impacted all levels of airport management and staff and expenses. The administrative changes associated with responding to nationwide political and economic concerns will occupy significant amounts of time, energy and resources throughout the current and budget year.

Major Component Accomplishments in 2001

- Leasing staff played a major role in finalizing Title 17 regulations for the international airports.
- All rental car agency concession contracts expired on May 30, 2001, and new contracts with significant changes

were executed June 1.

- As part of regulatory changes, almost 500 new tiedown space applications/permits were successfully processed before June 30.
- New ground transportation permits were completed in addition to revising numerous internal checklists and templates.
- After two years of non-stop negotiations, new operating agreement language between the airport and major air carriers was finalized in late spring and new agreements were executed in October, 2001. The agreements include significant changes to how terminal and ramp space is utilized by and billed to carriers. The FIA accounting office shouldered much of the burden of coordinating changes necessary to the revenue and statistical accounting systems.

Statutory and Regulatory Authority

AS 2 Aeronautics
AS 44 State Govt.
FAR Part 139
FAR Part 107
FAR Part 108
29 CFR OSHA

Fairbanks Airport Administration

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 879.4 | 991.9 | 1,021.0 |
| 72000 Travel | 18.4 | 15.9 | 15.9 |
| 73000 Contractual | 521.8 | 504.2 | 544.2 |
| 74000 Supplies | 31.5 | 49.2 | 49.2 |
| 75000 Equipment | 6.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,457.1 | 1,561.2 | 1,630.3 |
| Funding Sources: | | | |
| 1027 International Airport Revenue Fund | 1,457.1 | 1,531.5 | 1,600.6 |
| 1061 Capital Improvement Project Receipts | 0.0 | 29.7 | 29.7 |
| Funding Totals | 1,457.1 | 1,561.2 | 1,630.3 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 6,795.5 | 7,036.6 | 7,036.6 | 6,880.0 | 7,878.3 |
| Unrestricted Total | | 6,795.5 | 7,036.6 | 7,036.6 | 6,880.0 | 7,878.3 |
| Restricted Revenues | | | | | | |
| Capital Improvement Project Receipts | 51200 | 0.0 | 0.0 | 0.0 | 29.7 | 0.0 |
| Restricted Total | | 0.0 | 0.0 | 0.0 | 29.7 | 0.0 |
| Total Estimated Revenues | | 6,795.5 | 7,036.6 | 7,036.6 | 6,909.7 | 7,878.3 |

Fairbanks Airport Administration**Proposed Changes in Levels of Service for FY2003**

No major change in the scope or level of ongoing services provided is anticipated for the current or budget year.

Additional resources may be necessary to address increased FY02 and FY03 security requirements resulting from the September 11, 2001 terrorist attacks.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 1,561.2 | 1,561.2 |
| Adjustments which will continue current level of service: | | | | |
| -Transfer in \$40.0 from TSAIA for Risk Management Costs RP 25-2-6438 | 0.0 | 0.0 | 40.0 | 40.0 |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 29.1 | 29.1 |
| FY2003 Governor | 0.0 | 0.0 | 1,630.3 | 1,630.3 |

Fairbanks Airport Administration

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 15 | 15 | Annual Salaries | 726,122 |
| Part-time | 0 | 0 | COLA | 20,341 |
| Nonpermanent | 0 | 0 | Premium Pay | 15,314 |
| | | | Annual Benefits | 271,580 |
| | | | Less 1.20% Vacancy Factor | (12,357) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 15 | 15 | Total Personal Services | 1,021,000 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|----------------------------|-----------|-----------|----------|----------|-----------|
| Accounting Spvr I | 0 | 1 | 0 | 0 | 1 |
| Accounting Tech I | 0 | 1 | 0 | 0 | 1 |
| Accounting Tech II | 0 | 1 | 0 | 0 | 1 |
| Administrative Clerk III | 0 | 2 | 0 | 0 | 2 |
| Administrative Manager III | 0 | 1 | 0 | 0 | 1 |
| Administrative Svcs Mgr | 0 | 1 | 0 | 0 | 1 |
| Airport Manager Fairbanks | 0 | 1 | 0 | 0 | 1 |
| Analyst/Programmer I | 0 | 1 | 0 | 0 | 1 |
| Leasing Officer I | 0 | 1 | 0 | 0 | 1 |
| Leasing Officer II | 0 | 1 | 0 | 0 | 1 |
| Leasing Officer III | 0 | 1 | 0 | 0 | 1 |
| Micro/Network Spec I | 0 | 1 | 0 | 0 | 1 |
| Personnel Asst I | 0 | 1 | 0 | 0 | 1 |
| Secretary | 0 | 1 | 0 | 0 | 1 |
| Totals | 0 | 15 | 0 | 0 | 15 |

Component: Fairbanks Airport Facilities

Contact: Doyle C. Ruff, Airport Manager

Tel: (907) 474-2507 **Fax:** (907) 474-2513 **E-mail:** doyle_ruff@dot.state.ak.us

Component Mission

The mission of the Facilities component is to protect the State's investment in FIA's buildings by maintaining, in the most cost-effective manner possible, plant-in-place infrastructure and other facilities to meet or exceed their planned useful life, and to present at all times a clean and attractive passenger terminal and other airport facilities to the traveling public and airport tenants.

Component Services Provided

Maintenance staff provide services to the airport terminal building, the Airport Rescue and Fire Fighting facility, and all of the other state owned or managed buildings at FIA. Responsibilities include: repair and maintenance of heating, ventilating, and air conditioning systems; baggage conveyor systems; escalators and elevators, automated doors and gates, interior lighting systems, finishings; exterior electrical systems including runway and taxiway lights, tiedown and vehicle parking electrical outlets and flood lights; coordination of both tenant and state sponsored construction, renovations, and repairs.

Custodial tasks include daily cleaning in the passenger terminal which is open 24 hours daily, (multiple cleanings in departure areas), administrative offices, and at the ARFF/maintenance complex. Employees shovel snow from sidewalks, other walkways, and the terminal roof; assist in shoveling runway lights when needed, and conduct landscape maintenance of the immediate terminal grounds.

Component Goals and Strategies

To maintain continuous, uninterrupted use of a public airport terminal and the surrounding areas and facilities by air carriers, tenants, concessionaires, and the traveling public

- Identify, repair, renovate, and/or replace structural, plumbing and electrical components before inconvenience or hazards arise
- Maintain facilities in a like-new condition
- Maintain at 100% efficiency the airfield lighting and signage systems in the certificated air carrier movement area and the general aviation portion of the airport
- Conduct cleaning, snow removal, and landscaping for the passenger terminal in a cost effective and unobtrusive manner during periods of high passenger activity when necessary
- Conduct maintenance activities in and affecting public use areas during less busy times when possible

Key Component Issues for FY2002 – 2003

- Work will begin on relamping the ARFF/Maintenance building with new energy efficient fluorescent fixtures.
- Building maintenance staff will also address replacing a boiler for the south end of the terminal
- The obsolete and unreliable escalators in the terminal will be replaced. Completion of this project will free up Building Maintenance staff time that can be devoted to other maintenance issues.
- Camera upgrade for Gate 1 in the airport security fence and the heating storage building 50.
- New security requirements may result in wiring upgrades and use of temporary barriers and partitions for baggage searches.
- Security changes have also impacted the custodial staff regarding access to secure areas and routine cleaning.

Major Component Accomplishments in 2001

- Centerline lights were replaced on the large air carrier runway with new fixtures designed to withstand the rigors of

- snow removal and deicing chemicals. They should significantly reduce annual maintenance and replacement costs.
- 4,200 new energy efficient fluorescent tubes and 1,720 ballasts were installed in the terminal. This will generate thousands of dollars in electricity cost savings.
- Maintained the number of system and equipment breakdowns reported at less than 500 per year.

Statutory and Regulatory Authority

AS 2 Aeronautics
AS 44 State Govt.
FAR Part 107
FAR Part 108
29 CFR OSHA
NFPA / AK fire code

Fairbanks Airport Facilities

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,225.8 | 1,286.9 | 1,480.7 |
| 72000 Travel | 1.0 | 2.4 | 2.4 |
| 73000 Contractual | 657.5 | 703.5 | 859.0 |
| 74000 Supplies | 333.7 | 294.4 | 174.4 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 2,218.0 | 2,287.2 | 2,516.5 |
| Funding Sources: | | | |
| 1027 International Airport Revenue Fund | 2,218.0 | 2,287.2 | 2,516.5 |
| Funding Totals | 2,218.0 | 2,287.2 | 2,516.5 |

Fairbanks Airport Facilities

Proposed Changes in Levels of Service for FY2003

An apprenticeship program is requested to provide an adequate training ground for building maintenance staff and avoid difficulties in recruitment when existing staff retires.

Additional resources may be necessary to address increased FY02 and FY03 security requirements resulting from the September 11, 2001 terrorist attacks.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 2,287.2 | 2,287.2 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 33.8 | 33.8 |
| Proposed budget increases: | | | | |
| -Increased Heating Fuel Costs | 0.0 | 0.0 | 35.5 | 35.5 |
| -Add 4 PFT Maintenance Workers to Implement Apprenticeship Program | 0.0 | 0.0 | 160.0 | 160.0 |
| FY2003 Governor | 0.0 | 0.0 | 2,516.5 | 2,516.5 |

Fairbanks Airport Facilities

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 20 | 24 | Annual Salaries | 974,338 |
| Part-time | 0 | 0 | COLA | 26,209 |
| Nonpermanent | 0 | 0 | Premium Pay | 98,794 |
| | | | Annual Benefits | 411,630 |
| | | | Less 2.00% Vacancy Factor | (30,271) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 20 | 24 | Total Personal Services | 1,480,700 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|----------|----------|-----------|
| Enviro Services Journey II | 0 | 11 | 0 | 0 | 11 |
| Maint Gen Journey | 0 | 3 | 0 | 0 | 3 |
| Maint Gen Lead | 0 | 1 | 0 | 0 | 1 |
| Maint Spec Bfc Foreman | 0 | 1 | 0 | 0 | 1 |
| Maint Spec Etrician Journey II | 0 | 6 | 0 | 0 | 6 |
| Maint Spec Plumb Jrny II | 0 | 2 | 0 | 0 | 2 |
| Totals | 0 | 24 | 0 | 0 | 24 |

Component: Fairbanks Airport Field and Equipment Maintenance

Contact: Doyle C. Ruff, Airport Manager

Tel: (907) 474-2505 **Fax:** (907) 474-2513 **E-mail:** doyle_ruff@dot.state.ak.us

Component Mission

The mission of Field and Equipment Maintenance is to provide safe aircraft movement surfaces through efficient and cost effective maintenance of the air operations area, and to maintain vehicle roads, parking lots and other grounds in compliance with FAA airport certification requirements, as well as accepted prudent maintenance requirements and practices.

Component Services Provided

This component provides the physical maintenance of all runways, taxiways, aircraft parking, vehicle parking lots, roads, and grounds within the boundaries of the 3550-acre airport. Services include: snow removal and ice control, asphalt crack sealing and pothole repair, runway and taxiway safety area maintenance, airfield lighting and signing systems repair and maintenance, ground vegetation control, dust control; float pond/ski strip maintenance, security fencing/gate replacement, and equipment maintenance and repair.

Component Goals and Strategies

Conduct maintenance activities in such a way as to maintain 100% runway availability (no runway closures) while maintaining safe landing surfaces in all conditions including adverse weather and peak usage periods.

- Continue providing a well trained, safety conscious, dedicated airport maintenance staff.
- Efficiently maintain all airport light and heavy-duty equipment to maximize useful life and meet all airport vehicle and equipment maintenance requirements.

Key Component Issues for FY2002 – 2003

- Construction continues on the extension of the general aviation runway from 3,200 to 6,500 feet and widening from 60 to 100 feet. With commuter air carrier traffic moving back from the air carrier runway to the new general aviation runway, both runways will require simultaneous snow and ice removal in deteriorating conditions. Additional seasonal positions were approved in the FY02 budget to handle the increased workload.
- The new maintenance facility will be completed during FY02. A major issue for Field Maintenance will be transitioning people and equipment to the new building with as little disruption as possible in day-to-day operations.
- Maintenance Management system software has been purchased; installation and training will begin as soon as practicable given space constraints before the new building is completed.

Major Component Accomplishments in 2001

- After considerable public input and discussion, the general aviation runway extension project planning, design and award phases were successfully completed.
- Relocated two 40' x 120' storage buildings to make room for the new maintenance building—saved 9,600 square feet of covered storage.
- Continued with leveling another fifty acres of land in the safety area for runway 1L-19R.
- Continued use of experimental asphalt repair materials and methods, and developed a successful process that is expected to keep material in place for five years.
- Crack sealed approximately 70% of the airfield side asphalt surfaces.

Statutory and Regulatory Authority

AS 2 Aeronautics
AS 44 State Govt.
FAR Part 107
FAR Part 108
29 CFR OSHA

Fairbanks Airport Field and Equipment Maintenance

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,797.3 | 2,054.0 | 2,138.7 |
| 72000 Travel | 4.7 | 7.0 | 7.0 |
| 73000 Contractual | 78.0 | 117.5 | 134.8 |
| 74000 Supplies | 668.3 | 643.8 | 661.8 |
| 75000 Equipment | 10.2 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 2,558.5 | 2,822.3 | 2,942.3 |
| Funding Sources: | | | |
| 1027 International Airport Revenue Fund | 2,558.5 | 2,822.3 | 2,942.3 |
| Funding Totals | 2,558.5 | 2,822.3 | 2,942.3 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Estimated Revenues | | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 |

Fairbanks Airport Field and Equipment Maintenance**Proposed Changes in Levels of Service for FY2003**

Additional resources may be necessary to address increased FY02 and FY03 security requirements resulting from the September 11, 2001 terrorist attacks.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 2,822.3 | 2,822.3 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 84.7 | 84.7 |
| Proposed budget increases: | | | | |
| -Increased Vehicle Fuel Costs | 0.0 | 0.0 | 18.0 | 18.0 |
| -New State Equipment Fleet Charges | 0.0 | 0.0 | 17.3 | 17.3 |
| FY2003 Governor | 0.0 | 0.0 | 2,942.3 | 2,942.3 |

Fairbanks Airport Field and Equipment Maintenance

Personal Services Information

| Authorized Positions | | Personal Services Costs | |
|----------------------|-------------------|-------------------------|--|
| | <u>FY2002</u> | <u>FY2003</u> | |
| | <u>Authorized</u> | <u>Governor</u> | |
| Full-time | 24 | 24 | Annual Salaries 1,320,364 |
| Part-time | 5 | 5 | COLA 57,007 |
| Nonpermanent | 0 | 0 | Premium Pay 264,146 |
| | | | Annual Benefits 542,308 |
| | | | Less 2.07% Vacancy Factor (45,125) |
| | | | Lump Sum Premium Pay 0 |
| Totals | 29 | 29 | Total Personal Services 2,138,700 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|------------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Clerk III | 0 | 1 | 0 | 0 | 1 |
| Chief of Airport Maintenance | 0 | 1 | 0 | 0 | 1 |
| Equip Operator Foreman I | 0 | 2 | 0 | 0 | 2 |
| Equip Operator Journey I | 0 | 2 | 0 | 0 | 2 |
| Equip Operator Journey II | 0 | 17 | 0 | 0 | 17 |
| Maint Gen Sub - Journey I | 0 | 1 | 0 | 0 | 1 |
| Mech Auto Foreman II | 0 | 1 | 0 | 0 | 1 |
| Mech Auto Lead/Spec | 0 | 3 | 0 | 0 | 3 |
| Stock & Parts Svcs Lead | 0 | 1 | 0 | 0 | 1 |
| Totals | 0 | 29 | 0 | 0 | 29 |

Component: Fairbanks Airport Operations

Contact: Doyle C. Ruff, Airport Manager

Tel: (907) 474-2507 **Fax:** (907) 474-2513 **E-mail:** doyle_ruff@dot.state.ak.us

Component Mission

The mission of the Operations component is to ensure a safe, well constructed, well coordinated, environmentally sound operating environment for air carriers and other airport tenants, general aviation, the traveling public, and employees.

Component Services Provided

Perform operations duties such as daily airport inspections, surface friction measurement reporting, Notice to Airmen (NOTAM) dissemination to the FAA and air carriers; developing operations plans, monitoring air operations activities, recording aircraft landings, monitoring of land lease activity and tie down parking for compliance with authorized uses; 24 hour central dispatch radio communications for all airport functions and emergencies. Other services include engineering analysis for adherence to FARs and FAA Advisory Circulars; design analysis, cost estimation, bid proposal development in support of Northern Region planning, design and construction of airport facilities; airport facility plans and drawings updates; environmental assessment, remediation, and prevention of hazardous waste problems at airport and tenant facilities. Development and implementation of employee safety training programs.

Component Goals and Strategies

Ensure compliance with Federal Aviation Regulations (FAR) Part 139 Airport Certification, Part 107 Airport Security, and Environmental Protection Agency (EPA) and Occupational Safety and Health Administration (OSHA) requirements

- Provide the coordination necessary to minimize the State's exposure to liability resulting from aircraft operations (landings and takeoffs) and ground operations for both aircraft and authorized vehicles.
- Provide engineering expertise and oversight in the planning, design and construction of airport capital projects and facilities maintenance.
- Encourage noise abatement procedures in compliance with FARs and the FAA approved FIA noise study.
- Develop comprehensive training program in response to EPA and OSHA requirements.

Key Component Issues for FY2002 – 2003

- Additional resources may be necessary to address increased security requirements resulting from the September 11, 2001 terrorist attacks.
- Continued development and implementation of environmental and OSHA related programs. Identify employees that require training and provide training.

Major Component Accomplishments in 2001

Engineering -

- Completed an airfield pavement evaluation and developed a pavement maintenance management system.
- Designed and oversaw the construction work necessary to install energy efficient electric ballasts and new bulbs in over 1,700 fluorescent fixtures in the terminal building.
- Worked with FAA to obtain a new fully monitored approach lighting system for runway 1L to help eliminate diversions due to equipment failure. Coordinated the installation of this equipment through a State contract.
- Coordinated design and construction work with the contractor and tenants throughout the implementation of the Terminal Improvements Project. This work expanded the queuing area at screening, widened the terminal's second level concourse and improved the restaurant, lounge and gift shop concession areas.
- Assisted in the design of the second phase storm drainage improvements for the airport. This work will install an oil/water separator to reduce the release of contaminated runoff to the terminal area ponds.
- Performed drafting work to convert the airport's Land Occupancy drawings to digital format.

- Completed a new Airport Layout Plan reflecting the extension of runway 1R-19L.
- Coordinated with design staff, design consultant and tenants to modify the scope of and design the extended Runway 1R-19L and expanded the float pond facility.
- Assisted in the design of the new heavy equipment maintenance facility and coordinated with construction personnel during the startup of the site work.

Environmental/OSHA

- Acquired and equipped a basic hazardous materials response trailer. This trailer can be used as an incident command post during other incidents.
- Responded to over six hazardous substance spills and ensured proper cleanup.
- Ensured proper management and disposal of 8,200 pounds of hazardous and PCB waste.
- Ensured proper management and recycling of 4,500 pounds of hazardous waste.
- Ensured proper management and disposal of 6,000 pounds of hydrocarbon contaminated solid waste.
- Completed Air Conformity Assessment and Applicability Determination as part of the Airport Master Plan Update.
- Collected and discharged over 600,000 gallons of snowmelt containing glycol from deicing collection basins to the City's sanitary sewer per written agreement.
- Provided Confined Space Entry, Hazardous Materials Transportation, Energy Isolation, Fall Protection, and CPR/1st Aid Training to applicable staff as part of ongoing Health and Safety Program.

Statutory and Regulatory Authority

AS 2 Aeronautics
AS 44 State Govt.
AS 46 Environmental Conservation
FAR Part 139
FAR Part 77
FAR Part 107
40 CFR EPA
29 CFR OSHA
49 CFR US DOT

Fairbanks Airport Operations

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 879.7 | 982.4 | 1,010.8 |
| 72000 Travel | 7.1 | 15.0 | 15.0 |
| 73000 Contractual | 86.2 | 133.5 | 133.5 |
| 74000 Supplies | 49.3 | 14.5 | 14.5 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,022.3 | 1,145.4 | 1,173.8 |
| Funding Sources: | | | |
| 1027 International Airport Revenue Fund | 1,022.3 | 1,145.4 | 1,173.8 |
| Funding Totals | 1,022.3 | 1,145.4 | 1,173.8 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Estimated Revenues | | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |

Fairbanks Airport Operations

Proposed Changes in Levels of Service for FY2003

Additional resources may be necessary to address increased FY02 and FY03 security requirements resulting from the September 11, 2001 terrorist attacks.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 1,145.4 | 1,145.4 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 28.4 | 28.4 |
| FY2003 Governor | 0.0 | 0.0 | 1,173.8 | 1,173.8 |

Fairbanks Airport Operations

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 12 | 12 | Annual Salaries | 698,103 |
| Part-time | 4 | 4 | COLA | 20,466 |
| Nonpermanent | 0 | 0 | Premium Pay | 61,065 |
| | | | Annual Benefits | 266,175 |
| | | | Less 3.35% Vacancy Factor | (35,009) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 16 | 16 | Total Personal Services | 1,010,800 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|----------|----------|-----------|
| Airport Ops Superintendent FIA | 0 | 1 | 0 | 0 | 1 |
| Engineering Assistant II | 0 | 1 | 0 | 0 | 1 |
| Environmental Analyst II | 0 | 1 | 0 | 0 | 1 |
| Environmental Analyst III | 0 | 1 | 0 | 0 | 1 |
| Equip Operator Journey I | 0 | 1 | 0 | 0 | 1 |
| Equip Operator Journey II | 0 | 1 | 0 | 0 | 1 |
| Equip Operator Jrny III/Lead | 0 | 1 | 0 | 0 | 1 |
| Radio Dispatcher II | 0 | 7 | 0 | 0 | 7 |
| Radio Dispatcher III | 0 | 1 | 0 | 0 | 1 |
| Tech Eng I / Architect I | 0 | 1 | 0 | 0 | 1 |
| Totals | 0 | 16 | 0 | 0 | 16 |

Component: Fairbanks Airport Safety

Contact: Doyle C. Ruff, Airport Manager

Tel: (907) 474-2507 **Fax:** (907) 474-2513 **E-mail:** doyle_ruff@dot.state.ak.us

Component Mission

Perform Airport Rescue and Firefighting (ARFF), law enforcement, emergency medical technician and airfield operations services that meet FAA airport certification and security requirements on the airport in a cost effective, efficient manner, while being responsive to airport management, user, and community needs.

Component Services Provided

The airport Safety component provides the following services on a 24 hour/365 day per year basis:

ARFF:

Plan, staff, train for, and respond to real and simulated aircraft and bomb threat incidents, accidents, and natural disasters

Law Enforcement:

Meet FAR Part 107 and state law enforcement statutory and regulatory requirements.

Component Goals and Strategies

Ensure Airport Safety Officers (ASO) meet or exceed passenger security screening point response requirements and other requirements of FAR part 107 and the Airport Security Program

- Maintain training to meet or exceed minimum ASO fitness requirements for fire fighting and law enforcement.
- Manage staffing plans to minimize overtime while meeting FAA-required minimum staffing levels
- Maintain operational standards for use of all fire fighting vehicles, equipment, and personal gear
- Provide training opportunities for achieving emergency medical technician certification
- Participate in airport Triennial Emergency Exercise with other community mutual aid providers.

Key Component Issues for FY2002 – 2003

Recent instances of suspected or confirmed international terrorism have resulted in increased levels of awareness in airport security. Additional resources may be necessary to address increased security requirements resulting from the September 11, 2001 terrorist attacks.

Major Component Accomplishments in 2001

- 81 Real or simulated emergency responses to including security violations, a 14% increase from FY00.
- 281 Public assists of which forty-four required medical assistance, a 40% increase from FY00.
- Met or exceeded annual FAA airport certification inspections criteria regarding FAR Parts 139 and 107.

Statutory and Regulatory Authority

AS 2 Aeronautics
FAR Part 139
FAR Part 107
FAR Part 108

AS 18 Health/Safety
NFPA / AK fire code
29 CFR OSHA

Fairbanks Airport Safety

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 2,165.9 | 2,203.2 | 2,277.9 |
| 72000 Travel | 8.4 | 12.0 | 12.0 |
| 73000 Contractual | 30.5 | 58.8 | 58.8 |
| 74000 Supplies | 119.7 | 112.7 | 120.9 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 2,324.5 | 2,386.7 | 2,469.6 |
| Funding Sources: | | | |
| 1007 Inter-Agency Receipts | 0.0 | 15.2 | 15.2 |
| 1027 International Airport Revenue Fund | 2,324.5 | 2,371.5 | 2,454.4 |
| Funding Totals | 2,324.5 | 2,386.7 | 2,469.6 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <u>Unrestricted Revenues</u> | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <u>Restricted Revenues</u> | | | | | | |
| Interagency Receipts | 51015 | 0.0 | 0.0 | 0.0 | 15.2 | 0.0 |
| Restricted Total | | 0.0 | 0.0 | 0.0 | 15.2 | 0.0 |
| Total Estimated Revenues | | 0.0 | 0.0 | 0.0 | 15.2 | 0.0 |

Fairbanks Airport Safety**Proposed Changes in Levels of Service for FY2003**

Additional resources may be necessary to address increased FY02 and FY03 security requirements resulting from the September 11, 2001 terrorist attacks.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 2,386.7 | 2,386.7 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 74.7 | 74.7 |
| Proposed budget increases: | | | | |
| -Increased Vehicle Fuel Costs | 0.0 | 0.0 | 8.2 | 8.2 |
| FY2003 Governor | 0.0 | 0.0 | 2,469.6 | 2,469.6 |

Fairbanks Airport Safety
Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|-----------------------------|--------------------------|--------------------------------|----------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 26 | 26 | Annual Salaries | 1,466,214 |
| Part-time | 0 | 0 | COLA | 61,230 |
| Nonpermanent | 0 | 0 | Premium Pay | 236,773 |
| | | | Annual Benefits | 560,239 |
| | | | <i>Less 2.00% Vacancy Factor</i> | (46,556) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 26 | 26 | Total Personal Services | 2,277,900 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|----------------------------|------------------|------------------|---------------|---------------|--------------|
| Administrative Clerk II | 0 | 1 | 0 | 0 | 1 |
| Airport Safety Off V | 0 | 1 | 0 | 0 | 1 |
| Airport Safety Officer II | 0 | 20 | 0 | 0 | 20 |
| Airport Safety Officer III | 0 | 3 | 0 | 0 | 3 |
| Airport Safety Officer IV | 0 | 1 | 0 | 0 | 1 |
| Totals | 0 | 26 | 0 | 0 | 26 |

Marine Highway System Budget Request Unit

Contact: George Capacci, General Manager

Tel: (907) 465-3959 **Fax:** (907) 465-2474 **E-mail:** George_Capacci@dot.state.ak.us

BRU Mission

To provide safe, reliable, and efficient transportation of people, goods, and vehicles among Alaska communities, Canada, and the "lower 48" providing opportunities to develop and maintain a reasonable standard of living and high quality of life for Alaskans by meeting social, education, and health needs.

BRU Services Provided

The Alaska Marine Highway System (AMHS) operates nine roll-on/roll-off passenger ships during the summer season and as few as four ships during the fall, winter and spring season. Weeks of operation are tailored to meet the needs of the travelling public and communities while maximizing revenue and minimizing costs.

AMHS constantly maintains, repairs, refurbishes, and upgrades its nine vessels and twenty terminal facilities. Hard use in a marine environment and the stringent regulation (state and federal) of passenger-carrying marine vessels determine the need for these activities. This BRU coordinates these activities and provides some of the funding for them.

Operations services provided:

- Along 3,500 track miles from Bellingham, WA, through Southeast Alaska, across the Gulf of Alaska to Prince William Sound and South Central Alaska, to Kodiak Island, the Alaskan peninsula and out the Aleutian Island to Unalaska transporting people, goods and vehicles to/from 34 separate ports.
- Using 20 State-owned terminals to shelter and book passage for over 350,00 passengers and stage over 100,000 vehicles per year to board AMHS vessels.
- Through 800 shipboard employees needed to adequately crew AMHS ships based upon U.S. Coast Guard (USCG) requirements and under 100 shoreside employees including terminal operators.
- Under the standardized safety program of International Safety Management (ISM) certification to maintain proficiency in the AMHS fleet and meet International Maritime Organization (IMO) requirements.
- As reflected in quality service to every customer that is to become the industry standard for maritime travel.
- In conjunction with USCG required annual overhaul, maintenance and inspection requirements.
- Under the Standards for Training, Certification, and Watch-keeping for Seafarers (STCW) program that requires all shipboard employees to be certified by February 2002. Such a program has been established and implemented through the development of course curriculums and qualification tracking .

The maintenance, repair, refurbishment, and upgrading services provided are to:

- Conduct the surveys, assessments, detailed preliminary engineering, cost estimating, long-range planning, and design for federally funded vessel modernization projects included in the department's needs list and ultimately the State Transportation Improvement Program.
- Initiate, administer, and provide on-site shipyard oversight of contracts for vessel modernization projects.
- Plan and provide preventive maintenance and repair of twenty terminal facilities.
- Purchase support services and goods for the necessary annual overhaul of each vessel.

BRU Goals and Strategies

Operate a safe, reliable, and efficient fleet of vehicle-passenger vessels year round.

- Plan and implement changes to provide more efficient and effective service in the future by laying up vessels in the off season and better matching of traffic demand with service.
- Maintain a 98% customer satisfaction by training AMHS employees in customer relations.
- Improve our reservations services by reducing caller wait time and increasing public use of AMHS's website for scheduling information, reservations, and payment.
- Increase revenue and passenger traffic through better marketing and pricing of available space.
- Provide more frequent ferry service on a regular schedule and at a reduced cost by designing and procuring a fast

vehicle ferry system.

- Ensure no loss of service by conducting overhauls and vessel upgrades in accordance with extensive regulatory requirements.
- Serve more than 350,000 passengers and stage more than 110,000 vehicles at our ferry terminals by performing semiannual preventive maintenance of the shoreside infrastructure.

Key BRU Issues for FY2002 – 2003

There is the continual need to improve customer service. It is important to maximize constituent inputs in schedule implementation and still provide maximum transportation support to Alaska communities. The purpose is to enhance the economic and social fabric of the communities AMHS serves under the constraints of budget reductions. At the same time AMHS is striving to achieve a lower cost per mile of operation by reducing overtime and laying up ships during the off season to save on personnel costs. Matching vessel capacity with customer demand is a constant goal.

As general fund support continues to decrease, a greater reliance is placed on the system becoming more self-supporting. Alternatives have been analyzed that could increase revenues through marketing, tariff adjustments, extending on board services and introducing on line reservations. A proactive marketing effort is being implemented to capitalize on those markets identified in the recent marketing and pricing study.

The system continues to improve training of all employees to increase professionalism, enhance morale and ensure safety in all operations and emergencies. Work is continuing to meet the February 1, 2002 deadline to certify over 800 vessel crew members in all areas required by the STCW.

Increased shipboard and shoreside terminal security demands are critical to maintain a safe and secure marine transportation system as part of the State of Alaska operated transportation system.

Major BRU Accomplishments in 2001

- Kept eight AMHS vessels crewed and in service by completing annual overhauls and meeting federal certification requirements. M/V Columbia was lost for the entire FY01 due to a switchboard fire in June 2000 and was subsequently delayed in the shipyard until July 2001.
- The M/V Kennicott, successfully served ports in Southeast Alaska and maintained the cross-Gulf of Alaska service, which links the Southeast and Southwest systems.
- Maintained the ISM Code program certification required for AMHS vessels to visit Canadian ports. AMHS is the only U.S. flag, vehicle-passenger vessel fleet with overnight accommodations to have earned this certification. This certification has become the safety standard for the entire AMHS fleet.
- Developed and managed an innovative Computer Based Training (CBT) program coupled with practical certification sessions to bring existing maritime employees in to compliance with STCW regulations. Over 50% of existing employees are certified and the target date of Feb. 1, 2002 should be met for the remaining employees.
- Successfully trained approximately 125 new vessel employees to the highest international standards of Basic Safety Training and Ship Familiarization set by federal STCW requirements. Training was accomplished with the first USCG computer based training program developed for AMHS and can be used to conduct training in house.
- Maintained AMHS vessels through a combination of federally funded and state funded overhauls. State overhauls were conducted in Ketchikan (6 vessels) and Seward (2 vessels).
- The new reservation management system (RMS3) met the federal and international safety requirements for accountability of passengers and improved reservations processing time through reprogramming and agent training.
- Kept the terminal facilities safely and reliably operable.

Key Performance Measures for FY2003

Measure:

The percentage of times that vessels depart on time.
Sec 151(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Released December 15th
12/31/2001 8:36

FY2003 Governor
Department of Transportation/Public Facilities

The AMHS goal is to consistently exceed the nationwide on-time airline departure benchmark of 75.1. This goal was achieved in FY01 with a 79% on-time departure rate by comparison to 77% in FY00.

Benchmark Comparisons:

The benchmark used for this performance measure is the on-time departure data from the airline industry. Nationwide the on-time departure benchmark is 75.1%. This varies by airline and airport.

Background and Strategies:

Numerous events can cause delays in ferry departure times, especially weather and tides. An additional relevant factor is the time it takes to load/unload large and/or low slung vehicles (RV's trucks w/trailers, heavy equipment) during busy periods. Most of these factors are out of the control of AMHS. Nevertheless, making schedule modifications in the event of continual and systematic delays are within the Department's control.

Our strategy is to review our performance by vessel and route for FY 01 to insure that our schedule is more realistic by accommodating for tidal delays and loading restrictions. While departing on time is important to our customers, safety concerns will not be compromised.

Measure:

The revenue per rider mile divided by the operational costs per rider mile.
Sec 151(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The ratio of revenue per rider mile to cost per rider mile for FY 01 was .48. This was obtained by dividing the revenue per rider mile of \$.64 by the cost per rider mile that was \$1.34. Rising fuel costs have increased operational costs significantly since FY99. In fact, fuel prices jumped 47% between FY99 and FY00. This problem was compounded when the price per gallon climbed an additional 30% between FY00 and FY01. This drove the cost per rider mile up 9.5% and pushed the ratio of revenue per rider mile down 6.5%.

Benchmark Comparisons:

The Washington State Ferry System reports a ratio of .60. The British Columbia Ferry Corporation reports a ratio of .81. Their cost per rider mile is about the same as the Alaska Marine Highway System. However, their revenue per mile is much higher since they adjust their tariffs to reflect increased expenditures.

Background and Strategies:

The Alaska Marine Highway System is on par when compared to the other ferry systems. The exception is the AMHS has lower revenue per rider mile when compared to the British Columbia system. Along these lines, the AMHS implemented a tariff increase effective May 1, 2001. However, the potential revenue from this increase was offset by three factors. First, the highest revenue producing vessel Columbia, could not be returned to service in FY01 as planned. Second, the Malaspina had to be rerouted from the North Lynn Canal (NLC) to cover for the Columbia. This caused a revenue reduction in NLC. Third, the Malaspina has a much smaller car deck capacity and fewer staterooms than the Columbia and consequently could not capture the full financial benefit from the most lucrative route.

This performance measure is influenced by several variables, i.e. seasonal demand, service routes, number of voyages per week between ports and the fluctuation in fuel prices.

Measure:

The total ridership, including passengers and vehicles, compared to the five-year ridership average.
Sec 151(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The AMHS established a goal to increase ridership by 3% per year. The five-year passenger average for FY96 to FY00 is 359,169 and the vehicle average is 102,097. In FY01, ridership was 339,290 and vehicles totaled 97,596. This represents a passenger decrease of 5.5% and a vehicle decrease of 4.4%. In each case, the decrease is attributable to reduced operating weeks and the Columbia being off line for the summer because of fire damage.

Benchmark Comparisons:

There is no good benchmark for this performance measure. The BC Ferries and Washington State Ferries carry substantially more passengers and vehicles because both are short haul and commuter type systems.

Background and Strategies:

The Alaska Marine Highway System brought a ninth vessel on line and introduced cross Gulf service in FY99. This measure is a ridership comparison with a nine vs. eight-vessel fleet. A marketing manager was hired in FY 01 to increase ridership. Many marketing efforts are being undertaken to promote Marine Highway ridership. Unfortunately, there are events beyond the Department's control that can and have resulted in ridership reductions (e.g., blockades, strikes, fires, etc.).

Measure:

The average onboard revenue per passenger, including cabin occupancy, food, beverage, and other sources of revenue. Sec 151(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The AMHS goal is to increase onboard revenue by 5% from the three-year per passenger average of \$21.49, calculated from FY97 to FY99. In FY00, the sales per passenger were \$20.89 and in FY01, sales were \$21.19. This goal has been hampered by the Columbia fire, which occurred on June 6, 2000. The fire caused an immediate reduction in long haul capacity. Consequently, people took shorter trips on average for the remainder of FY00 and FY01. Shorter trips are tantamount to less onboard sales per passenger.

Benchmark Comparisons:

It is difficult to find a benchmark in other ferry systems as passengers spend much less time on the ships, hence spend less per person than on the AMHS.

Background and Strategies:

A marketing and tariff study was conducted by the McDowell Group in FY00 by surveying 3,500 customers. The purpose of the study was to find a way to improve the AMHS's revenue earning capability. This study identified the reasons people chose the AMHS to travel to and from Alaska and what they liked and disliked aboard the vessels. One area of recommended improvement was in food services, which had a 50% approval rating. The AMHS will focus on improving quality control, menu selection and food preparation during FY02. Our goal is to increase customer satisfaction in the food service area by 5% per year. Increasing customer satisfaction will be a meaningful adjunct toward increasing onboard revenues.

Measure:

The percentage of persons served who are satisfied customers. Sec 151(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

An independent analysis of onboard comment cards was performed by a marketing class under the supervision of the marketing professor at the University of Alaska, Fairbanks. The percentage of customers who rated overall customer service very good to excellent increased from 75% to 83%. Our goal is to continue to increase the percentage of very satisfied customers annually, since this category represents those AMHS customers who feel service is very good to excellent.

Benchmark Comparisons:

Unfortunately, there is no good benchmark for this performance measure. The AMHS passenger ships are long haul and unique in North America. The BC Ferries and Washington State Ferries are short haul and commuter type systems.

Background and Strategies:

The AMHS experience is viewed as unique to Alaska travelers. The recent McDowell study is the first comprehensive look at the AMHS customer base in the 37-year history of the Marine highway System. Moreover, the study will serve as a baseline from which future measures can be made. A study of this nature could be repeated every few years. Additionally, the AMHS will continue working with the University of Alaska who is compiling annual survey data to evaluate customer service and customer satisfaction. Meanwhile, the AMHS has clearly shortened call waiting times, provided training for the reservation staff, completed stateroom renovations and is providing onboard cook skills training

in FY02. This strategy is directly tied to our goal to increase the level of very satisfied customers in FY02 and FY03.

Marine Highway System
BRU Financial Summary by Component

All dollars in thousands

| | General Funds | FY2001 Actuals Federal Funds | Other Funds | Total Funds | General Funds | FY2002 Authorized Federal Funds | Other Funds | Total Funds | General Funds | FY2003 Governor Federal Funds | Other Funds | Total Funds |
|--|------------------|------------------------------------|-----------------|-----------------|------------------|---------------------------------------|-----------------|-----------------|------------------|-------------------------------------|-----------------|-----------------|
| <u>Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| <u>Non-Formula</u> | | | | | | | | | | | | |
| <u>Expenditures</u> | | | | | | | | | | | | |
| Marine Vessel Operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 73,812.8 | 73,812.8 |
| Marine Engineering Overhaul | 0.0 | 0.0 | 1,798.5 | 1,798.5 | 0.0 | 0.0 | 2,141.0 | 2,141.0 | 0.0 | 0.0 | 2,201.0 | 2,201.0 |
| Reservations and Marketing | 0.0 | 0.0 | 1,830.1 | 1,830.1 | 0.0 | 0.0 | 1,698.4 | 1,698.4 | 0.0 | 0.0 | 1,698.4 | 1,698.4 |
| Southeast Shore Operations | 0.0 | 0.0 | 1,910.4 | 1,910.4 | 0.0 | 0.0 | 2,090.6 | 2,090.6 | 0.0 | 0.0 | 2,121.6 | 2,121.6 |
| Southeast Vessel Operations | 0.0 | 0.0 | 2,976.4 | 2,976.4 | 0.0 | 0.0 | 3,028.9 | 3,028.9 | 0.0 | 0.0 | 3,073.1 | 3,073.1 |
| Southwest Shore Operations | 330.0 | 0.0 | 57,216.4 | 57,546.4 | 0.0 | 0.0 | 57,496.6 | 57,496.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Southwest Vessel Operations | 0.0 | 0.0 | 1,123.3 | 1,123.3 | 0.0 | 0.0 | 1,045.2 | 1,045.2 | 0.0 | 0.0 | 1,110.4 | 1,110.4 |
| Southwest Vessel Operations Management | 80.0 | 0.0 | 10,411.3 | 10,491.3 | 0.0 | 0.0 | 10,669.3 | 10,669.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Vessel Operations | 0.0 | 0.0 | 1,182.9 | 1,182.9 | 0.0 | 0.0 | 1,344.4 | 1,344.4 | 0.0 | 0.0 | 1,380.2 | 1,380.2 |
| Totals | 410.0 | 0.0 | 78,449.3 | 78,859.3 | 0.0 | 0.0 | 79,514.4 | 79,514.4 | 0.0 | 0.0 | 85,397.5 | 85,397.5 |

Marine Highway System

Proposed Changes in Levels of Service for FY2003

- Proactively study and pursue security improvements both aboard ship and shoreside to ensure the safest and most secure marine transportation system is part of the State of Alaska's transportation system.
 - Diligently proceed with the procurement of the first high-speed passenger and vehicle carrying catamaran ferry to be built in the United States. (Delivery anticipated in Spring 2004).
 - Proceed with the design and construction of the conventional Metlakatla ferry to be delivered in Spring 2003.
 - Commission Metlakatla ferry (yet to be named) in May/June 2003 providing revolutionary daily service to/from Metlakatla.
 - Operate 311.9 weeks of mainline vessel service plus 8.7 weeks for the Metlakatla ferry an increase of 26.5 operating weeks over FY02.
 - Incorporate IFA service to Prince of Wales Island into AMHS reservations system and operational scheduling.
 - Provide twice weekly service from Bellingham to Alaska. Spring 03 – Shift non-SOLAS M/V *Malaspina* to weekly Bellingham run alongside M/V *Columbia* to meet customer demands and match vessel capacity to these demands.
 - Additional Cross Gulf trips by M/V *Kennicott* connecting Southeast and South Central Alaska.
 - Additional service to Prince William Sound and SW Alaska by M/V *Kennicott* during the absence of the M/V *Tustumena* during an anticipated extended overhaul in winter 2002/03.
 - Upon addition of Metlakatla ferry in Southeast, shift M/V *Aurora* to PWS to replace M/V *E.L. Bartlett* (surplus)
 - Shift M/V *Taku* to modified Prince Rupert – North Lynn Canal service to use SOLAS capability and match North Lynn customer demand.
 - Shift M/V *Matanuska* to twice weekly Prince Rupert service to match SOLAS capability and maximize capacity to ship fresh seafood from Alaska.
 - Aggressively maintain shoreside terminal facilities
- Develop an on-line computer reservation system to permit computer assisted reservations including acceptance of credit card payment data over the internet.

Marine Highway System

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 79,514.4 | 79,514.4 |
| Adjustments which will continue current level of service: | | | | |
| -Marine Vessel Operations | 0.0 | 0.0 | 69,578.4 | 69,578.4 |
| -Marine Engineering | 0.0 | 0.0 | 60.0 | 60.0 |
| -Reservations and Marketing | 0.0 | 0.0 | 31.0 | 31.0 |
| -Southeast Shore Operations | 0.0 | 0.0 | 44.2 | 44.2 |
| -Southeast Vessel Operations | 0.0 | 0.0 | -57,496.6 | -57,496.6 |
| -Southwest Shore Operations | 0.0 | 0.0 | 65.2 | 65.2 |
| -Southwest Vessel Operations | 0.0 | 0.0 | -10,669.3 | -10,669.3 |
| -Vessel Operations Management | 0.0 | 0.0 | 35.8 | 35.8 |
| Proposed budget increases: | | | | |
| -Marine Vessel Operations | 0.0 | 0.0 | 4,234.4 | 4,234.4 |
| FY2003 Governor | 0.0 | 0.0 | 85,397.5 | 85,397.5 |

Component: Marine Vessel Operations

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Component Mission

To provide safe, reliable and efficient transportation of people and vehicles between Alaskan communities, Canada and Bellingham, Washington.

Component Services Provided

The AMHS Marine Fleet Operations Component consistently meets the transportation needs of a diverse group of travelers. In FY01, AMHS transported over 335,000 passengers and over 97,500 vehicles. The multi dimensional services offered by the AMHS, including cross Gulf of Alaska sailings, provide a vital year round transportation link between road systems and many isolated Alaskan villages and towns. Moreover, this link allows for rapid delivery of perishable goods and products such as fresh produce and fresh Alaskan seafood. The transportation of essential construction equipment and materials plays a key role in supporting economic development. By the same token, transporting tourists to Alaskan communities injects revenue directly into local economies.

Component Goals and Strategies

To operate a safe, reliable and efficient fleet of Roll-on/Roll-off passenger vessels year round.

- Provide quality services to every customer of the AMHS and improve our customer satisfaction ratings by training our crews in customer relations and food services.
- New ferry schedule alternatives are being explored to provide greater capacity where capacity has been constrained during periods of high demand. For instance, there is a growing market demand for increased cross Gulf of Alaska service.
- Adjust AMHS fleet to provide more efficient service in Southeast when the IFA ferry assumes the Ketchikan to Prince of Wales Island route in January 2002.
- Maintain compliance with the International Safety Management (ISM) Code fleet wide.
- Train and certify all vessel employees to STCW (basic safety training) standards before February 1, 2002.

Key Component Issues for FY2002 – 2003

Increased operating costs, decreased general fund support and stagnant ridership have contributed to the depletion of the stabilization fund. The fund has been a critical tool for providing predictable service to communities. Without adequate financial support, the AMHS cannot provide the steady, stable, dependable and predictable service Alaskans and visitors to Alaska have relied on the past 10 years. .

Additional component issues include completing Basic Safety Training certification and specialized training for all designated AMHS mariners and maintaining and updating Safety Management System (SMS) required by the ISM Code. The AMHS will incorporate the IFA vessel (Hollis to Ketchikan service) into its operation and AMHS will maintain cross Gulf of Alaska service to match growing customer demand.

Major Component Accomplishments in 2001

- The M/V Malaspina was rerouted to provide service to Bellingham due to the Columbia's delayed return because of an electrical fire. This delay occurred at the start of the busiest time of the year for Marine Fleet Operations. Thousands of reservations previously made for travel onboard the Columbia had to be changed each week the ship was delayed. Additionally, the AMHS had to develop an innovative schedule using M/V Taku to provide service through Prince Rupert and North Lynn Canal.
- Nearly 50% of all maritime employees were trained in mandatory Basic Safety Training through computer based training and practical demonstration training.
- A ship to shore communications link was established via email and local area network aboard all AMHS vessels.

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Marine Vessel Operations

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 0.0 | 51,681.6 |
| 72000 Travel | 0.0 | 0.0 | 457.0 |
| 73000 Contractual | 0.0 | 0.0 | 7,025.2 |
| 74000 Supplies | 0.0 | 0.0 | 14,649.0 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 0.0 | 0.0 | 73,812.8 |
| Funding Sources: | | | |
| 1076 Marine Highway System Fund | 0.0 | 0.0 | 73,812.8 |
| Funding Totals | 0.0 | 0.0 | 73,812.8 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 0.0 | 0.0 | 0.0 | 40,600.0 | 40,600.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 40,600.0 | 40,600.0 |
| Restricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Estimated Revenues | | 0.0 | 0.0 | 0.0 | 40,600.0 | 40,600.0 |

Marine Vessel Operations

Proposed Changes in Levels of Service for FY2003

- Incorporate IFA service to Prince of Wales Island into AMHS reservations system and operational scheduling.
- Provide twice weekly service from Bellingham to Alaska. Spring 03 – Shift non-SOLAS M/V *Malaspina* to weekly Bellingham run alongside M/V *Columbia* to meet customer demands and match vessel capacity to these demands.
- Additional Cross Gulf trips by M/V *Kennicott* connecting Southeast and South Central Alaska.
- Additional service to PWS and SW Alaska by M/V *Kennicott* during absence of M/V *Tustumena* during extended overhaul.
- Commission Metlakatla ferry (yet to be named) in May 2003 providing revolutionary daily service to/from Metlakatla.
- Upon addition of Metlakatla ferry in Southeast, shift M/V *Aurora* to PWS to replace M/V *E.L. Bartlett* (surplus)
- Shift M/V *Taku* to modified Prince Rupert – North Lynn Canal service to use SOLAS capability and match North Lynn customer demand.
- Shift M/V *Matanuska* to twice weekly Prince Rupert service to match SOLAS capability and maximize capacity to ship fresh seafood out of Alaska.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 0.0 | 0.0 |
| Adjustments which will continue current level of service: | | | | |
| -Transfer Southeast Vessel Operations, funding and positions, to Marine Vessel Operations | 0.0 | 0.0 | 57,425.6 | 57,425.6 |
| -Transfer Southwest Vessel Operations, funding and positions, to Marine Vessel Operations | 0.0 | 0.0 | 10,669.3 | 10,669.3 |
| -Year 3 Labor Costs - Net Change from FY2002 for vessel employees | 0.0 | 0.0 | 1,474.2 | 1,474.2 |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 9.3 | 9.3 |
| Proposed budget increases: | | | | |
| -Increased fuel prices | 0.0 | 0.0 | 280.0 | 280.0 |
| -Restore operating weeks to FY99/FY00 planned service levels | 0.0 | 0.0 | 3,954.4 | 3,954.4 |
| FY2003 Governor | 0.0 | 0.0 | 73,812.8 | 73,812.8 |

Marine Vessel Operations
Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|-----------------------------|--------------------------|--------------------------------|----------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 0 | 646 | Annual Salaries | 185,338 |
| Part-time | 0 | 147 | COLA | 6,684 |
| Nonpermanent | 0 | 0 | Premium Pay | 7,529 |
| | | | Annual Benefits | 79,183 |
| | | | <i>Less 0.00% Vacancy Factor</i> | (0) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 0 | 793 | Total Personal Services | 278,734 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-------------------------------|------------------|------------------|---------------|---------------|--------------|
| Personnel Asst I | 0 | 0 | 0 | 1 | 1 |
| Personnel Asst II | 0 | 0 | 2 | 0 | 2 |
| Stock & Parts Svcs Journey II | 0 | 0 | 0 | 2 | 2 |
| Totals | 0 | 0 | 2 | 3 | 5 |

Component: Marine Engineering

Contact: George Capacci, General Manager

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Component Mission

Ensure that the Alaska Marine Highway System (AMHS) vessels and shore facilities are safe, reliable, comfortable, and accessible to all Alaskans and visitors to the state.

Component Services Provided

- Conduct annual condition surveys and operational assessments. Provide technical information for long-range planning and facility development.
- Prepare the designs and manage the construction contracts that maintain, repair, refurbish, and upgrade the existing vessels. Assure that the vessels continue to comply with all state and federal regulations, as well as all United States Coast Guard (USCG) and American Bureau of Shipping (ABS) requirements. The Vessel Engineering Section's workload of current design and construction projects is over \$140 million in Federal Highway Administration and state-matching funds.
- Support fleet operations through the port engineer function in Ketchikan and Juneau.
- Perform preventive maintenance on nineteen widely dispersed, state-owned ferry terminal facilities from Homer to Ketchikan. Perform annual inspections for regulatory compliance and accomplishment of upgrades, repairs, and refurbishment of terminal facilities. Terminal facilities include transfer bridges, mooring structures, staging areas and terminal buildings.

Component Goals and Strategies

Vessel Engineering Section:

- Design and procure a new class of vessel with faster speed and reduced level of amenities, able to operate with reduced labor costs.
- Assure no loss of service due to failure to meet an existing or upcoming regulation.
- Provide continued modernization in accordance with the upcoming regulatory compliance deadlines including new requirements for Safety of Life at Sea (SOLAS), International Safety Management (ISM) and the Standards for Training, Certification and Watchkeeping for Seafarers (STCW).

Shore Maintenance Section:

- Continue to provide a high standard of preventive maintenance to state-owned terminal facilities.
- Conduct semi-annual servicing of the passenger and vehicle transfer structures and terminal buildings at each site.

Key Component Issues for FY2002 – 2003

The STCW is the international criteria by which all 800 AMHS shipboard employees are required to be trained and certified in Basic Safety Training and Vessel Familiarization before February 1, 2002. Half of these employees also need specialized training in crowd and crisis management, proficiency in the use of survival craft and passenger safety and hull integrity. This training is being provided primarily in-house using the training courses, manuals, and equipment developed for the AMHS. In addition, STCW training and certification for deck and engineering department licensed and unlicensed mariners is being obtained from US Coast Guard approved schools prior to the February 1 deadline.

The addition of modernized and expanded terminal facilities and buildings in Cordova, Homer, and Petersburg in the past three years has increased the existing maintenance team workload. Although the crew is currently fully utilized, their workload will increase further with the anticipated construction of five new terminals in the Southeast Alaska Transportation Plan.

All existing and new emergency generator underground fuel storage tanks now require operation inspections and certification to meet 18 AAC 78. Each new terminal that is built, upgraded, or expanded adds a new fire alarm system and/or sprinkler system that requires annual re-certification to meet Division of Fire Prevention regulations. These new

requirements, added to historical OSHA, DEC, and ADA oversight, require significant administrative efforts and demand additional funding to meet and maintain compliance.

A project to design and implement an Internet-based reservation system is under way. The result will be a more user friendly and cost-effective reservation system.

A draft transition/ implementation plan is being developed to coordinate the shift from a fleet made up of passenger vessels in service 24/7 to a system using dayboat shuttle ferries.

Major Component Accomplishments in 2001

- Successfully completed the first biannual re-certification inspection of our ISM program both on the vessels and shoreside. AMHS is the only U.S. flag, roll-on roll-off (ro-ro), passenger vessel fleet with overnight accommodations to have earned this certification. It is a requirement for continued service to Prince Rupert, British Columbia because it is located outside of the United States.
- Successfully implemented the first phase of the STCW requirement to train current and newly hired crew members to the highest international standards.
- Reduced the frequency and severity of terminal material casualties and emergency repairs. This was done through the use of improved, condition-based, planned, and programmed preventive maintenance.
- Successfully completed an update of the Vessel Condition Survey, a comprehensive database of all regulatory and code deficiencies. This will serve as the master plan document for future vessel upgrades and refurbishments. Produced a draft ten-year plan for projects needed to extend the life of our vessels through 2010.

Statutory and Regulatory Authority

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Marine Engineering

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,572.5 | 1,853.2 | 1,893.2 |
| 72000 Travel | 49.4 | 45.1 | 45.1 |
| 73000 Contractual | 92.0 | 96.5 | 107.5 |
| 74000 Supplies | 84.6 | 146.2 | 155.2 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,798.5 | 2,141.0 | 2,201.0 |
| Funding Sources: | | | |
| 1061 Capital Improvement Project Receipts | 1,097.6 | 1,405.7 | 1,438.0 |
| 1076 Marine Highway System Fund | 700.9 | 735.3 | 763.0 |
| Funding Totals | 1,798.5 | 2,141.0 | 2,201.0 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| None. | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Capital Improvement Project Receipts | 51200 | 1,097.6 | 1,405.7 | 1,405.7 | 1,438.0 | 1,438.0 |
| Restricted Total | | 1,097.6 | 1,405.7 | 1,405.7 | 1,438.0 | 1,438.0 |
| Total Estimated Revenues | | 1,097.6 | 1,405.7 | 1,405.7 | 1,438.0 | 1,438.0 |

Marine Engineering**Proposed Changes in Levels of Service for FY2003**

No service level changes are planned for the FY03 budget.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 2,141.0 | 2,141.0 |
| Adjustments which will continue current level of service: | | | | |
| -RP25-2-6438 Transfer \$11.0 from Southeast Vessel Ops for Ketchikan office long distance charges | 0.0 | 0.0 | 11.0 | 11.0 |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 49.0 | 49.0 |
| FY2003 Governor | 0.0 | 0.0 | 2,201.0 | 2,201.0 |

Marine Engineering

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 23 | 23 | Annual Salaries | 1,312,399 |
| Part-time | 2 | 2 | COLA | 37,317 |
| Nonpermanent | 0 | 0 | Premium Pay | 129,067 |
| | | | Annual Benefits | 493,281 |
| | | | Less 4.00% Vacancy Factor | (78,864) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 25 | 25 | Total Personal Services | 1,893,200 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|------------------------------|-----------|-----------|-----------|----------|-----------|
| Accounting Tech II | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk I | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk II | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk III | 0 | 0 | 1 | 1 | 2 |
| Administrative Manager I | 0 | 0 | 1 | 0 | 1 |
| Engineer/Architect II | 0 | 0 | 1 | 0 | 1 |
| Facilities Manager I | 0 | 0 | 1 | 0 | 1 |
| Maint Gen Journey | 0 | 0 | 2 | 1 | 3 |
| Maint Spec Bfc Jrny II/Lead | 0 | 0 | 1 | 0 | 1 |
| Marine Trans Srvs Mgr | 0 | 0 | 1 | 0 | 1 |
| Naval Architect | 0 | 0 | 1 | 0 | 1 |
| Project Coordinator | 0 | 0 | 0 | 1 | 1 |
| Vessel Const Manager I | 0 | 0 | 3 | 0 | 3 |
| Vessel Const Manager II | 0 | 0 | 4 | 0 | 4 |
| Vessel Const Manager III | 0 | 0 | 2 | 0 | 2 |
| Vessel Construction Asst III | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 22 | 3 | 25 |

Component: Overhaul

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Tel: (907) 465-3959 **Fax:** (907) 465-2474 **E-mail:** George_Capacci@dot.state.ak.us

Component Mission

Overhaul the nine vessels of the Alaska Marine Highway System (AMHS) annually in order to maintain the fleet at a safe, efficient level of operation.

Component Services Provided

AMHS vessels are required to be inspected and have maintenance performed according to regulatory requirements of the U.S. Coast Guard (USCG), the American Bureau of Shipping (ABS), and state vessel maintenance policies. A period of time (normally six weeks) called the overhaul period is set aside each year to accomplish these tasks at a shipyard. At the end of the overhaul period, the vessel undergoes a USCG inspection. Passing this rigorous inspection result in a Certificate of Inspection, which permits the vessel to operate for the following year.

Work accomplished during the overhaul period includes dry-docking, hull inspections, fire and lifesaving inspections, repairs, cleaning, painting, and machinery reconditioning. The state CIP budget funds these major shipyard costs. The overhaul component funds the supporting services and goods associated with shipyard work. They include:

- Fire system inspections
- Liferaft repacking
- Evacuation chute repacking
- Propulsion system technicians
- Hull cathodic protection system technicians
- Equipment rentals
- Ship stores used during the overhaul period
- Supplies and parts used during the overhaul period
- Travel costs of vessel crew performing overhaul work

Component Goals and Strategies

To maintain the fleet at a safe, efficient level of operation

- Continue to keep AMHS vessel downtime to a minimum.
- Minimize costs during vessel overhaul periods.
- Overhaul AMHS vessels efficiently and in accordance with standards set in the Code of Federal Regulations, thus allowing us to continue to obtain our annual USCG Certificate of Inspection and operate the vessels.

Review the procurement decisions made for repair parts, supplies, and technical services used during each overhaul period. Authorize only those that the port engineer determines are truly essential in type and quantity requested.

Key Component Issues for FY2002 – 2003

Overhaul funding is insufficient. Our continuing challenge is to perform all overhaul work related to safety and reliability while minimizing and deferring nonessential repairs and preservation as long as possible.

Major Component Accomplishments in 2001

- Completed overhaul periods for all nine vessels on time and within available funds in FY 01.
- Achieved certificates of inspection for all nine vessels in FY 01.

Statutory and Regulatory Authority

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Overhaul

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 0.0 | 0.0 |
| 72000 Travel | 553.9 | 710.0 | 710.0 |
| 73000 Contractual | 555.8 | 370.0 | 370.0 |
| 74000 Supplies | 660.4 | 618.4 | 618.4 |
| 75000 Equipment | 60.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,830.1 | 1,698.4 | 1,698.4 |
| Funding Sources: | | | |
| 1076 Marine Highway System Fund | 1,830.1 | 1,698.4 | 1,698.4 |
| Funding Totals | 1,830.1 | 1,698.4 | 1,698.4 |

Overhaul**Proposed Changes in Levels of Service for FY2003**

No service level changes are planned for FY0203.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--------------------------|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 1,698.4 | 1,698.4 |
| FY2003 Governor | 0.0 | 0.0 | 1,698.4 | 1,698.4 |

Component: Reservations and Marketing

Contact: George Capacci, General Manager

Tel: (907) 465-3959 **Fax:** (907) 465-2474 **E-mail:** George_Capacci@dot.state.ak.us

Component Mission

To provide the best possible service to Alaska Marine Highway System (AMHS) customers and potential customers, increase awareness and interest in the system and ensure all requests for information, reservations, and tickets are answered and processed effectively.

Component Services Provided

The Reservations and Marketing section provides information, reservation and ticketing services for Alaskans and visitors considering travel aboard the Alaska Marine Highway System. The ability to generate interest in the AMHS and respond to inquiries has a direct impact on the number of travelers who choose to travel by ferry and on the revenues generated by the System. Through staff in Anchorage and Juneau we provide:

- Oral and written responses to over 200,000 telephone requests for information, reservations, or tickets each year, and more than 6,000 faxed requests.
- Responses to an increasing number of e-mail and Internet inquiries.
- Responses to over 7,000 Internet reservation requests.
- Expert assistance for customers with special needs, i.e. youth groups, tour groups, persons with disabilities, commercial companies, military, and travel agents.
- Policy, procedure, and computer training for shoreside staff, including terminals and other system personnel.
- Collection of additional passenger information as required by USCG for greater security.
- Management of computerized schedules, space availability, and tariffs. The Marketing unit creates and distributes approximately 150,000 AMHS printed schedules.
- Works with Alaska communities and ports served directly and indirectly
- Meets with the travel trade (travel agents, tour operators/wholesalers) and responds to their AMHS informational requests as they relate to their clients.
- Marketing meets with other user groups such as freight shippers and coordinates advertising and promotional campaigns.

Component Goals and Strategies

- To provide fast, efficient reservation services.
- Reduce the average length of incoming telephone calls by encouraging the public to use the AMHS website for obtaining general information currently being provided by customer service agents.
- Reduce the average "wait-time" for incoming calls by routing an appropriate number to off-site terminal personnel during peak booking periods.
- Provide convenient "on-line" schedule information by enhancing features of our current website and integrating it with our reservations system, RMS3.
- Reduce staff turnover by providing employees with improved tools, training and potential "career paths".
- Increasing revenues through utilization of information and recommendations in the Alaska Marine Highway Marketing and Pricing Study developed by the McDowell Group.
- Increase awareness of the AMHS through increased targeted advertising, direct mail, public and press relations, trade show attendance and association memberships both instate and nationally.
- Increase the distribution of schedules as a planning tool from 20,000 per issue to 40,000 per issue.
- Create new community/Alaska partnerships including tradeshow/advertising co-ops and special promotions for each region. This includes designating the Marine Highway as an "All American Road" and establishing the Southeast Alaska trail System (Sea Trails).

Key Component Issues for FY2002 – 2003

The Department is always looking at ways to improve the efficiency of the AMHS reservations process. Changes to the Reservations Management System (RMS3) computerized reservation system have been identified that can reduce the

time required generating or modifying reservations. A new Online Reservation System is being developed that will use technology to allow customers to make and pay for reservations via the AMHS website. The Department is seeking a downtown Juneau location to provide more convenient on-site reservation and ticketing services to the traveling public. And finally, an emphasis on the recruitment and training of seasonal employees is critical to customer assistance during the peak reservation season.

To assist the Department in generating more revenues to support the AMHS, new marketing strategies are being developed. To promote the use of the AMHS website, web specials will be offered. The Department is identifying computer system changes needed to gather additional passenger information that will help plan additional marketing efforts. And as part of the marketing/revenue generating strategies, continuous analysis is necessary to assure peak season passenger, vehicle and cabin tariffs are what the market will bear.

Major Component Accomplishments in 2001

- The Reservations Management System (RMS3) was reprogrammed to improve processing time.
- A Call Wait Announcer System has been installed to give accurate wait-time feedback automatically to all callers on AMHS reservation lines, and to provide important information while callers are waiting.
- A new reservations building was constructed to house the Juneau Reservations and Ticket office and to provide a more convenient location and greater accessibility for the public and employees.
- A full time marketing manager was hired to reach out to prime markets and generate greater revenues through selected promotions and more effective advertisement.
- Cooperative marketing efforts allowed the AMHS to leverage minimal marketing funds to provide maximum public awareness of the system.
- The fall-winter-spring schedule and the summer schedule were produced at no cost to the state and a PFD special was offered for travel onboard the AMHS.

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Reservations and Marketing

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,134.6 | 1,078.2 | 1,109.2 |
| 72000 Travel | 15.6 | 30.8 | 30.8 |
| 73000 Contractual | 720.0 | 958.9 | 958.9 |
| 74000 Supplies | 40.2 | 22.7 | 22.7 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,910.4 | 2,090.6 | 2,121.6 |
| Funding Sources: | | | |
| 1076 Marine Highway System Fund | 1,910.4 | 2,090.6 | 2,121.6 |
| Funding Totals | 1,910.4 | 2,090.6 | 2,121.6 |

Reservations and Marketing**Proposed Changes in Levels of Service for FY2003**

No service level changes are planned for the FY03 budget.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 2,090.6 | 2,090.6 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 31.0 | 31.0 |
| FY2003 Governor | 0.0 | 0.0 | 2,121.6 | 2,121.6 |

Reservations and Marketing

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 15 | 15 | Annual Salaries | 789,340 |
| Part-time | 11 | 11 | COLA | 17,355 |
| Nonpermanent | 0 | 0 | Premium Pay | 5,637 |
| | | | Annual Benefits | 338,528 |
| | | | <i>Less 3.62% Vacancy Factor</i> | (41,660) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 26 | 26 | Total Personal Services | 1,109,200 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|-----------|-----------|-----------|----------|-----------|
| Administrative Clerk II | 2 | 0 | 15 | 0 | 17 |
| Administrative Clerk III | 0 | 0 | 1 | 0 | 1 |
| Administrative Supervisor | 0 | 0 | 1 | 0 | 1 |
| Ferry Services Mngr I | 0 | 0 | 1 | 0 | 1 |
| Ferry Services Mngr III | 0 | 0 | 1 | 0 | 1 |
| Marine Traffic Manager | 0 | 0 | 1 | 0 | 1 |
| Publications Spec II | 0 | 0 | 1 | 0 | 1 |
| Reservations Specialist | 1 | 0 | 2 | 0 | 3 |
| Totals | 3 | 0 | 23 | 0 | 26 |

Component: Southeast Shore Operations

Contact: George Capacci, General Manger

Tel: (907) 465-3959 **Fax:** (907) 465-2474 **E-mail:** George_Capacci@dot.state.ak.us

Component Mission

To provide support for AMHS passengers, vessels and operations in Southeast Alaska by providing safe, clean terminal facilities, performing reservations and ticketing duties to achieve the overall mission of the Alaska Marine Highway System.

Component Services Provided

Southeast Shore Operations provides the shore support required for 7 vessels and 17 ports of call over a route system of 1,800 nautical miles. The service includes:

- Enhancing public relations via telephone and in person; quoting schedules and tariffs; making, changing and deleting reservations; issuing tickets; and collecting revenues.
- Longshoring duties; staging vehicles; janitorial and minor maintenance responsibilities.
- Providing an important link to communities by monitoring the local needs and informing AMHS management of pertinent changes and suggestions received.

Component Goals and Strategies

Serve greater than 300,000 passengers and stage more than 90,000 vehicles annually in Southeast Alaska and achieve at least a 98% satisfactory rating. Customer satisfaction levels will be measured using passenger comment forms that are provided on each vessel and in each terminal.

- Improve scheduling of seasonal employees and reduce reservations processing time.
- Provide greater information distribution for the traveler with information kiosks providing regional and community information.
- Introduce daily service between Ketchikan and Prince of Wales Island with the Inter-island Ferry Authority (IFA) coming on line.

Key Component Issues for FY2002 – 2003

- Maintain and operate the terminal buildings, grounds and reservation services in a professional, responsible and caring manner under increasing budget constraints.
- Continued diligence to keep employee overtime in terminal operations at the lowest possible level while expansion of terminal hours will be necessary with the frequency of ferry stops under the Southeast Alaska Transportation Plan.
- Completion of a third ships berth at Ketchikan for AMHS and IFA vessels.
- Monitor traffic numbers to determine effects of imposed summer season tariff increases.

Major Component Accomplishments in 2001

- The Reservation Management System (RMS 3) received a software upgrade that greatly enhanced processing of customer ticketing.
- Implemented and maintained the “wireless bridge” system to enhance shipboard e-mail communication capabilities.

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Southeast Shore Operations

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,718.4 | 1,790.2 | 1,834.4 |
| 72000 Travel | 4.4 | 15.3 | 15.3 |
| 73000 Contractual | 1,223.6 | 1,187.0 | 1,187.0 |
| 74000 Supplies | 30.0 | 36.4 | 36.4 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 2,976.4 | 3,028.9 | 3,073.1 |
| Funding Sources: | | | |
| 1076 Marine Highway System Fund | 2,976.4 | 3,028.9 | 3,073.1 |
| Funding Totals | 2,976.4 | 3,028.9 | 3,073.1 |

Southeast Shore Operations**Proposed Changes in Levels of Service for FY2003**

No service level changes are planned for the FY03 budget.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 3,028.9 | 3,028.9 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 44.2 | 44.2 |
| FY2003 Governor | 0.0 | 0.0 | 3,073.1 | 3,073.1 |

Southeast Shore Operations

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 20 | 20 | Annual Salaries | 1,158,350 |
| Part-time | 15 | 15 | COLA | 26,773 |
| Nonpermanent | 0 | 0 | Premium Pay | 187,269 |
| | | | Annual Benefits | 526,119 |
| | | | Less 3.38% Vacancy Factor | (64,111) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 35 | 35 | Total Personal Services | 1,834,400 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|----------|-----------|-----------|
| Administrative Clerk II | 0 | 0 | 0 | 1 | 1 |
| Ferry Services Mngr I | 0 | 0 | 1 | 3 | 4 |
| Ferry Services Mngr II | 0 | 0 | 0 | 5 | 5 |
| Ferry Services Mngr III | 0 | 0 | 1 | 3 | 4 |
| Ferry Terminal Assistant | 0 | 0 | 4 | 17 | 21 |
| Totals | 0 | 0 | 6 | 29 | 35 |

Component: Southeast Vessel Operations

Contact: George Capacci, General Manager

Tel: (907) 465-3959 **Fax:** (907) 465-2474 **E-mail:** George_Capacci@dot.state.ak.us

Component Mission

Please see new Marine Vessel Operations component (2604)

Component Services Provided

Please see new Marine Vessel Operations component (2604)

Component Goals and Strategies

Please see new Marine Vessel Operations component (2604)

Key Component Issues for FY2002 – 2003

Please see new Marine Vessel Operations component (2604)

Major Component Accomplishments in 2001

Please see new Marine Vessel Operations component (2604)

Statutory and Regulatory Authority

Please see new Marine Vessel Operations component (2604)

Southeast Vessel Operations

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|-----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 38,262.3 | 40,047.2 | 0.0 |
| 72000 Travel | 437.0 | 352.7 | 0.0 |
| 73000 Contractual | 6,989.8 | 5,879.6 | 0.0 |
| 74000 Supplies | 11,857.3 | 11,217.1 | 0.0 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 57,546.4 | 57,496.6 | 0.0 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 330.0 | 0.0 | 0.0 |
| 1007 Inter-Agency Receipts | 1,281.5 | 0.0 | 0.0 |
| 1061 Capital Improvement Project Receipts | 293.8 | 0.0 | 0.0 |
| 1076 Marine Highway System Fund | 55,641.1 | 57,496.6 | 0.0 |
| 1135 AK Marine Highway Duplicated Expenditures | 0.0 | 0.0 | 0.0 |
| Funding Totals | 57,546.4 | 57,496.6 | 0.0 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|-----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 37,373.0 | 38,600.0 | 38,600.0 | 0.0 | 0.0 |
| Unrestricted Total | | 37,373.0 | 38,600.0 | 38,600.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | | | |
| Interagency Receipts | 51015 | 1,281.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital Improvement Project Receipts | 51200 | 293.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restricted Total | | 1,575.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Estimated Revenues | | 38,948.3 | 38,600.0 | 38,600.0 | 0.0 | 0.0 |

Southeast Vessel Operations**Proposed Changes in Levels of Service for FY2003**

Please see new Marine Vessel Operations component (2604)

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 57,496.6 | 57,496.6 |
| Adjustments which will continue current level of service: | | | | |
| -RP25-2-6438 Transfer \$11.0 to Marine Engineering for Ketchikan office long distance charges | 0.0 | 0.0 | -11.0 | -11.0 |
| -RP25-2-6438 Transfer \$60.0 to Southwest Shore Ops for Kennicott longshore | 0.0 | 0.0 | -60.0 | -60.0 |
| -Transfer Southeast Vessel Operations, funding and positions, to Marine Vessel Operations | 0.0 | 0.0 | -57,425.6 | -57,425.6 |
| FY2003 Governor | 0.0 | 0.0 | 0.0 | 0.0 |

Southeast Vessel Operations**Personal Services Information**

| Authorized Positions | | Personal Services Costs | | |
|-----------------------------|--------------------------|--------------------------------|--------------------------------|-----|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 579 | 0 | Annual Salaries | 0 |
| Part-time | 112 | 0 | Premium Pay | 0 |
| Nonpermanent | 0 | 0 | Annual Benefits | 0 |
| | | | <i>Less % Vacancy Factor</i> | () |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 691 | 0 | Total Personal Services | |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|------------------------|------------------|------------------|---------------|---------------|--------------|
| No personal services. | | | | | |
| Totals | 0 | 0 | 0 | 0 | 0 |

Component: Southwest Shore Operations

Contact: George Capacci, General Manager

Tel: (907) 465-3959 **Fax:** (907) 465-2474 **E-mail:** George_Capacci@dot.state.ak.us

Component Mission

To provide support for AMHS passengers, vessels and operations for the communities of Southwest Alaska by providing safe, clean terminal facilities and performing reservations and ticketing duties to achieve the overall mission of the Alaska Marine Highway System.

Component Services Provided

Southwest Shore Operations provides the shore support required for 3 vessels and 15 ports of call over a route system of 1,700 nautical miles. The service includes:

- Enhancing public relations via telephone and in person; quoting schedules and tariffs; making, changing and deleting reservations; issuing tickets; and collecting revenues.
- Longshoring duties at AMHS facilities; staging vehicles; janitorial and minor maintenance responsibilities.
- Providing an important link with the communities we serve by monitoring the local needs and informing AMHS management of pertinent changes and inputs received.

Component Goals and Strategies

- Serve greater than 50,000 passengers and stage more than 18,000 vehicles annually in Southwest Alaska and achieve a 98% satisfactory rating. Customer satisfaction levels will be measured using passenger comment forms that are provided on each vessel and in each terminal.
- Improve scheduling of seasonal employees and reduced reservations processing time.
- Reduce cost of contract services, i.e. longshoring, mooring and dockage fees, facilities leasing, by expanding AMHS facilities.

Key Component Issues for FY2002 – 2003

- Maintain and operate the terminal buildings, grounds and reservation services in a professional, responsible and caring manner under increasing budget constraints.
- Continued diligence to keep employee overtime in terminal operations at the lowest possible level while expansion of terminal hours will be necessary with the frequency of ferry stops under the Southwest Transportation Plan and Prince William Sound Transportation Plan.
- Enter new agreements with contract agents for the operation of AMHS terminals and dock services organizations for longshoring and berthing.
- Terminal construction is underway in Valdez and Whittier.

Major Component Accomplishments in 2001

- The Reservation Management System (RMS 3) received a software upgrade that greatly enhanced processing of customer ticketing.
- Implemented and maintained the “wireless bridge” system to enhance shipboard e-mail communication capabilities.

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Southwest Shore Operations

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 229.1 | 260.8 | 266.0 |
| 72000 Travel | 2.0 | 4.0 | 4.0 |
| 73000 Contractual | 887.0 | 772.9 | 832.9 |
| 74000 Supplies | 5.2 | 7.5 | 7.5 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,123.3 | 1,045.2 | 1,110.4 |
| Funding Sources: | | | |
| 1076 Marine Highway System Fund | 1,123.3 | 1,045.2 | 1,110.4 |
| Funding Totals | 1,123.3 | 1,045.2 | 1,110.4 |

Southwest Shore Operations

Proposed Changes in Levels of Service for FY2003

No service level changes are planned for the FY03 budget.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 1,045.2 | 1,045.2 |
| Adjustments which will continue current level of service: | | | | |
| -RP25-2-6438 Transfer \$60.0 from Southeast Vessel Ops for Kennicott longshore | 0.0 | 0.0 | 60.0 | 60.0 |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 5.2 | 5.2 |
| FY2003 Governor | 0.0 | 0.0 | 1,110.4 | 1,110.4 |

Southwest Shore Operations

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|----------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 2 | 2 | Annual Salaries | 166,042 |
| Part-time | 3 | 3 | COLA | 3,639 |
| Nonpermanent | 0 | 0 | Premium Pay | 36,846 |
| | | | Annual Benefits | 66,652 |
| | | | Less 2.63% Vacancy Factor | (7,179) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 5 | 5 | Total Personal Services | 266,000 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|-----------|-----------|----------|----------|----------|
| Ferry Services Mngr II | 0 | 0 | 0 | 3 | 3 |
| Ferry Terminal Assistant | 0 | 0 | 0 | 2 | 2 |
| Totals | 0 | 0 | 0 | 5 | 5 |

Component: Southwest Vessel Operations

Contact: George Capacci, General Manager

Tel: (907) 465-3959 **Fax:** (907) 465-2474 **E-mail:** George_Capacci@dot.state.ak.us

Component Mission

Please see new Marine Vessel Operations component (2604)

Component Services Provided

Please see new Marine Vessel Operations component (2604)

Component Goals and Strategies

Please see new Marine Vessel Operations component (2604)

Key Component Issues for FY2002 – 2003

Please see new Marine Vessel Operations component (2604)

Major Component Accomplishments in 2001

Please see new Marine Vessel Operations component (2604)

Statutory and Regulatory Authority

Please see new Marine Vessel Operations component (2604)

Southwest Vessel Operations

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---------------------------------|-----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 7,340.8 | 7,386.5 | 0.0 |
| 72000 Travel | 47.5 | 64.3 | 0.0 |
| 73000 Contractual | 1,096.7 | 1,006.6 | 0.0 |
| 74000 Supplies | 2,006.3 | 2,211.9 | 0.0 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 10,491.3 | 10,669.3 | 0.0 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 80.0 | 0.0 | 0.0 |
| 1076 Marine Highway System Fund | 10,411.3 | 10,669.3 | 0.0 |
| Funding Totals | 10,491.3 | 10,669.3 | 0.0 |

Southwest Vessel Operations**Proposed Changes in Levels of Service for FY2003**

Please see new Marine Vessel Operations component (2604)

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 10,669.3 | 10,669.3 |
| Adjustments which will continue current level of service: | | | | |
| -Transfer Southwest Vessel Operations, funding and positions, to Marine Vessel Operations | 0.0 | 0.0 | -10,669.3 | -10,669.3 |
| FY2003 Governor | 0.0 | 0.0 | 0.0 | 0.0 |

Southwest Vessel Operations

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|--------------------------------|-----|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 63 | 0 | Annual Salaries | 0 |
| Part-time | 35 | 0 | Premium Pay | 0 |
| Nonpermanent | 0 | 0 | Annual Benefits | 0 |
| | | | <i>Less % Vacancy Factor</i> | () |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 98 | 0 | Total Personal Services | |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-----------------------|-----------|-----------|----------|----------|----------|
| No personal services. | | | | | |
| Totals | 0 | 0 | 0 | 0 | 0 |

Component: Vessel Operations Management

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Component Mission

To provide safe, reliable and efficient transportation of people, goods and vehicles through the Alaska Marine Highway System by developing sound policy and procedures for operations, and manning with well trained professionals who are sensitive to the needs of our customers.

Component Services Provided

Vessel Operations Management operates 9 ships and 20 terminals with 800 vessel employees and 80 personnel ashore. Additionally, these vessels call on another 14 ports owned by private entities. The services provided are:

- To develop, implement and enforce policies and procedures of AMHS.
- To enforce labor contracts that provide benefits for AMHS employees without incurring increased costs and to schedule qualified employees for work assignments to meet required staffing levels including vacation and sick leave reliefs.
- To provide training of vessel and terminal personnel to enhance safety and service for the travelling public and meet the Standards for Training, Certification and Watchkeeping for Seafarers (STCW) requirements for mariners.
- To provide support for vessel and terminal personnel in the performance of their duties to enhance efficient and customer oriented operations.

Component Goals and Strategies

Provide the public safe, reliable and efficient marine transportation that supports the social, economic and cultural well being of isolated Alaskan communities.

- Maintain the largest fleet of Roll-on/Roll-off passenger vessels in the U.S. to efficiently meet a published schedule and provide effective service in future operations. Through federally funded Capital Improvement Projects (CIP), the service life of mainline and oceangoing vessels will be extended. The replacement of the most inefficient vessels with more economical ships will occur as per the Southeast Alaska Transportation Plan, the Southwest Alaska Transportation Plan and the Prince William Sound Transportation Plan.
- Standardize fleet wide operational procedures required by the International Safety Management (ISM) Code articulated in the AMHS Safety Management System (SMS) through annual audits of all AMHS ships.
- Train all vessel employees in Basic Safety Training and thirteen other courses and certify that they meet all the safety requirements of STCW.
- Meet the traffic demands of the travelling public by soliciting community input in the development of fall/winter/spring and summer schedules and adjusting services based upon traffic predictions from the Marketing and Tariff Study.
- Improve internal and external communications through the use of technology and timely use of the AMHS website for updating the published schedule on-line and publishing the AMHS Newsletter for all employees quarterly.
- Coordinate with planners the development of the Southwest Alaska Transportation Plan and the Prince William Sound Transportation Plan.

Maintain the financial viability of the System.

- Improve customer service with timely updates of the AMHS website for travel promotions, schedule changes and service marketing along with reducing costs by developing online reservations.
- Provide additional service to and from Bellingham during peak season to maximize revenue generation.
- Improve customer satisfaction by improving food service aboard AMHS vessels and training shipboard employees in customer relations.
- Hire more new vessel employees for each summer season so crew members will not be held over another week and overtime will be reduced by 10%.

Key Component Issues for FY2002 – 2003

With the imminent implementation of the Southeast Alaska Transportation Plan, there are many aspects of how AMHS does business that must be looked at differently. First, the Plan must be integrated into the development of future

operations, vessel maintenance and terminal construction schedules. Also, the operational parameters, staffing and crew training for the new fast vehicle ferries proposed in the Plan must be established.

Major Component Accomplishments in 2001

- Provided 291.7 total operating weeks of service in SE and SW Alaska including cross Gulf of Alaska service connecting the two systems.
- Operated the Malaspina as a "dayboat" in North Lynn Canal during the 2000 summer season adding greater vehicle and passenger capacity in the Northern Gateway.
- Shifted Malaspina to high revenue previously committed Bellingham service when the Columbia was delayed in shipyard.
- Maintained full service across the Gulf of Alaska and in Southeast with the M/V Kennicott. Operated all other vessels with minimal loss of service due to breakdowns.
- Conducted a marketing and pricing study to evaluate AMHS customer satisfaction and determine market demands. Many recommendations were implemented to increase system efficiencies and generate more revenue.
- Service in Southeast and Southwest Alaska was rescheduled successfully to meet travelers needs for regional sports tournaments and school activities during inclement March weather.
- Established a computer network aboard all AMHS vessels and successfully connected with each vessel via email and a wireless bridge setup at each terminal.
- Hired the first full-time Marketing Manager to generate a viable marketing program increasing revenue.
- Hired a website coordinator who brings schedule updates and promotions to the traveling public.
- Increased ridership aboard the AMHS Southwest system 3.5 % .

Statutory and Regulatory Authority

AS 19
AS 44

Vessel Operations Management

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,033.1 | 1,219.4 | 1,255.2 |
| 72000 Travel | 42.8 | 36.9 | 36.9 |
| 73000 Contractual | 45.9 | 45.0 | 45.0 |
| 74000 Supplies | 61.1 | 43.1 | 43.1 |
| 75000 Equipment | 0.0 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,182.9 | 1,344.4 | 1,380.2 |
| Funding Sources: | | | |
| 1076 Marine Highway System Fund | 1,182.9 | 1,344.4 | 1,380.2 |
| Funding Totals | 1,182.9 | 1,344.4 | 1,380.2 |

Vessel Operations Management

Proposed Changes in Levels of Service for FY2003

- Increased emphasis on the additional security aspects of shipboard and terminal operations to ensure the utmost safety of the crew and traveling public will be diligently sought.
- New environmental protocols will be put in place to ensure monitoring and compliance with developing vessel discharge regulations.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 1,344.4 | 1,344.4 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 35.8 | 35.8 |
| FY2003 Governor | 0.0 | 0.0 | 1,380.2 | 1,380.2 |

Vessel Operations Management

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 17 | 18 | Annual Salaries | 925,393 |
| Part-time | 0 | 0 | COLA | 27,182 |
| Nonpermanent | 0 | 0 | Premium Pay | 15,502 |
| | | | Annual Benefits | 339,314 |
| | | | Less 3.99% Vacancy Factor | (52,191) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 17 | 18 | Total Personal Services | 1,255,200 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------------|-----------|-----------|-----------|----------|-----------|
| Accounting Clerk I | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk I | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk III | 0 | 0 | 1 | 0 | 1 |
| Administrative Manager I | 0 | 0 | 1 | 0 | 1 |
| Asst Port Captain | 0 | 0 | 1 | 0 | 1 |
| Dev Spec II, Option A | 0 | 0 | 1 | 0 | 1 |
| Division Director | 0 | 0 | 1 | 0 | 1 |
| Ferry Services Manager IV | 0 | 0 | 1 | 0 | 1 |
| Marine Trans Srvs Mgr | 0 | 0 | 1 | 0 | 1 |
| Passenger Services Insp | 0 | 0 | 2 | 0 | 2 |
| Personnel Asst II | 0 | 0 | 1 | 0 | 1 |
| Personnel Officer II | 0 | 0 | 1 | 0 | 1 |
| Port Captain | 0 | 0 | 1 | 0 | 1 |
| Prog Coordinator | 0 | 0 | 1 | 0 | 1 |
| Safety Officer | 0 | 0 | 1 | 0 | 1 |
| Ship Services Mgr/Port Steward | 0 | 0 | 1 | 0 | 1 |
| Vessel Scheduling Coordinator | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 18 | 0 | 18 |